ed against the procedural aspect apparently for the same reason I cast my vote.

I have supported our authorization and appropriation legislation for military and civilian space programs since I have been in Congress, and I shall continue to do so.

Bakersfield, Calif., Chamber of Commerce Effectively Helps Small Business

EXTENSION OF REMARKS
OF
HON. HARLAN HAGEN
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, April 4, 1962

Mr. HAGEN of California. Mr. Speaker, the bedrock of any free society with a representative form of government based on honest uncoerced elections and a democratic social structure is the existence of large numbers of privately owned and operated business ventures. The owners and operators provide the energy, inventiveness, and variety of viewpoint necessary to a free enterprise economy, and indeed to a successful operation of government.

Unfortunately, the growth of monopoly business and government practices and policies threaten the life of our small business establishment. An awareness of this fact has produced much talk about the needs of small business, but, too often, such talk is like discussion of the weather—much is said about it, but nothing is ever done about it.

It is refreshing, therefore, to discover an agency that has done something. I refer to the Greater Bakersfield Chamber of Commerce, which serves the major population complex at the southern end of California's San Joaquin Valley.

The success story begins with the establishment by the chamber of a military affairs committee in response to the location in Kern County of two major military installations, Edwards Air Force Flight Test Center and the Naval Ordnance Test Station.

This committee was designed to assist the military mission and the community simultaneously.

As a result of the efforts of this committee under the able chairmanship of William B. Rea, a local business leader, a military procurement department of the chamber was established to provide a link between the military establishments and business firms in Bakersfield and other areas of Kern County, which were potential sources of services and supplies to such establishments.

This department fortunately was not a paper tiger. Under the directorship of Charles Carr, an action program began.

Meetings were held with military procurement officials for the discussion of the mutual problems of buyer and seller. Military procurement officials were apprized of the capability of local suppliers through plant visits and other devices. The chamber department was constituted as a liaison agent between buyer and seller.

As a result the respective military establishments arrived at a favorable appraisal of the local supply capability and implemented that appraisal with increased blanket purchase orders. The end result has been an increase in the value of services and supplies procured in the county of Kern with a flexibility of procurement which is of value to the Government.

The benefits of this program are greater than the commercial advantages to the buyer and seller. They include a general improvement of relations between what amounts to a Federal military family and a host civilian community. The end result will be better military morale and greater military efficiency.

The program has received favorable acknowledgment by General B. H. Schriever, Commander, USAF Systems Command.

In a memorandum—dated November 27, 1961, directed to his subordinate commander, entitled "Opportunities for Small Business Concerns"—he states "3. It is also recommended that the members of your staff, whose work brings them in contact with local chambers of commerce, suggest to such civic organizations that they establish their own programs to keep small business concerns informed on opportunities for doing business with local military procurement activities. For example, the Bakersfield Chamber of Commerce employs an individual who devotes full time to liaison work between AFFTC, other governmental agencies and small concerns in the local California area. Through this medium, information on bids and requests for proposal is obtained and disseminated throughout the local small business community. This type of effort on the part of the chamber of commerce has increased competition and the participation of new small business firms in AFFTC procurements."

HOUSE OF REPRESENTATIVES

THURSDAY, APRIL 5, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

I Thessalonians 5: 21: *Prove all things; hold fast that which is good.*

O Thou prayer-hearing and prayer-answering God, grant that in the atmosphere and attitude of the noonday prayer we may receive the blessing of a faith that looks beyond the shadows which so frequently darken our thoughts and feelings.

Lift us by Thy spirit into those lofty heights and zones of vision and fellowship with Thee whence cometh our help and strength to carry on faithfully and courageously.

We earnestly beseech Thee that in these days when nations seem to be struggling on in chaos and confusion we may hold fast those spiritual resources by which alone mankind can be held together.

May all the members of the human family be given that unity of insight and inspiration which will bring them into a kinship of common aspiration, common duties, and a common destiny.

In Christ's name we offer our prayer. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Ratchford, one of his secretaries, who also informed the House that on April 4, 1962, the President approved and signed a bill and a joint resolution of the House of the following titles:

H.R. 4130. An act to provide assistance to Menominee County, Wis., and for other purposes; and

H.J. Res. 441. Joint resolution to commemorate the 75th anniversary of the Interstate Commerce Commission.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill and a concurrent resolution of the Senate of the following titles:

S. 270. An act for the relief of Mrs. Jeliza Prendic Milenovic; and

S. Con. Res. 61. Concurrent resolution requesting the President to designate the week of March 25, 1962, as "Voluntary Overseas Aid Week."

The message also announced that pursuant to section 4355 of title 10, United States Code, the Vice President had appointed the Senator from Louisiana, Mr. ELLENDER, the Senator from Maine, Mr. MUSKIE, and the Senator from New York, Mr. JAVITS, as members of the Board of Visitors to the Military Academy.

Pursuant to section 6968 of title 10, United States Code, the Vice President appointed the Senator from Washington, Mr. MAGNUSON, the Senator from Virginia, Mr. ROBERTSON, and the Senator from Delaware, Mr. BOGGS, as members of the Board of Visitors to the Naval Academy.

Pursuant to section 9355 of title 10, United States Code, the Vice President appointed the Senator from Wyoming, Mr. MCGEE, the Senator from Nevada, Mr. BIBLE, and the Senator from Iowa, Mr. MILLER, as members of the Board of Visitors to the Air Force Academy.

Pursuant to section 194 of title 14, United States Code, the Vice President appointed the Senator from Hawaii, Mr. LONG, a member of the Board of Visitors to the Coast Guard Academy.

Pursuant to section 1126c of title 46, United States Code, the Vice President

appointed the Senator from Massachusetts, Mr. SMITH, a member of the Board of Visitors to the Merchant Marine Academy.

DESIGNATION OF CERTAIN FREIGHT FORWARDERS AS CARRIERS OF BONDED MERCHANDISE

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 3508) to amend the Tariff Act of 1930, as amended, relating to the inclusion of air freight forwarders and international air freight forwarders in definition of freight forwarders of bonded merchandise, with committee amendment.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. GROSS. Mr. Speaker, reserving the right to object, do I understand the gentleman has a series of bills, four or five of them?

Mr. MILLS. There are four bills reported unanimously by the Committee on Ways and Means.

Mr. GROSS. These bills have been reported unanimously by that committee?

Mr. MILLS. Each of them; yes.

Mr. GROSS. I thank the gentleman.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 551 of the Tariff Act of 1930, as amended (19 U.S.C. 1551), is amended by striking out "or any freight forwarder, as defined in section 402 of part IV of the Interstate Commerce Act (U.S.C., 1940 edition, supp. III, title 49, sec. 1002(5))," and inserting in lieu thereof "any freight forwarder (as defined in section 402 of part IV of the Interstate Commerce Act (49 U.S.C. 1002(5)), or any air freight forwarder or international air freight forwarder authorized to operate as such by the Civil Aeronautics Board."

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That section 551 of the Tariff Act of 1930, as amended (19 U.S.C. 1551), is amended by striking out 'or any freight forwarder, as defined in section 402 of part IV of the Interstate Commerce Act (U.S.C., 1940 edition, Supp. III, title 49, sec. 1002(5)),' and inserting in lieu thereof 'or any freight forwarder authorized to operate as such by any agency of the United States,'."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 3508, as amended by the Committee on Ways and Means and which was introduced by our colleague, the Honorable HALE BOGGS, is to permit the Secretary of the Treasury to designate any freight forwarder, authorized to act as such by any agency of Government, as a carrier of bonded merchandise for the final release of which from customs custody a permit has not been issued.

Section 551 of the Tariff Act of 1930, as amended—19 U.S.C. 1551—deals with carriage in bond of merchandise not finally released from customs custody. As originally enacted, section 551 authorized the Secretary of the Treasury to designate as carriers of bonded merchandise only common carriers who owned or operated railroad, steamship, or other transportation lines or routes. Public Law 285, 79th Congress—59 Stat. 667—broadened this authority to permit the Secretary to designate freight forwarders under the jurisdiction of the Interstate Commerce Commission to handle bonded merchandise in transit. No other freight forwarders were authorized to be so designated.

Aside from the fact that when the Congress considered this amendment to section 551 in 1945, other freight forwarders—such as airfreight forwarders—were not so prominent in this field as they now are, there apparently was no reason why the privilege was limited to freight forwarders under the jurisdiction of the Interstate Commerce Commission. In any event, your committee believes that the Secretary of the Treasury should be authorized to extend the privilege of handling bonded merchandise to any freight forwarder licensed to act as such by any agency of the Government, subject to such regulations and terms as the Secretary of the Treasury may prescribe and subject to his discretion.

The Committee on Ways and Means received favorable reports on this bill from the Departments of State, Commerce, and Treasury.

The Committee on Ways and Means is unanimous in recommending passage of H.R. 3508, as amended.

Mr. MASON. Mr. Speaker, the purpose of the legislation which has just been approved by the House is to authorize the Secretary of the Treasury to extend the privilege of handling bonded merchandise to any freight forwarder who is licensed to act as a freight forwarder by a Government agency. The Secretary of the Treasury is also authorized to issue regulations and prescribe such terms as he may find to be necessary.

Under existing law the Secretary is authorized to designate as carriers of bonded merchandise only freight forwarders under the jurisdiction of the Interstate Commerce Commission. In considering this legislation, the Committee on Ways and Means received favorable reports from the Departments of Commerce, State, and Treasury. The committee membership was unanimous in recommending favorable consideration of H.R. 3508.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. MASON] and the author of each of the bills that will be called up, and that I, as chairman of the committee, be permitted to extend our remarks immediately following the passage of each of these bills.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

EXEMPTION OF FOWLING NETS FROM DUTY

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 6682) to provide for the exemption of fowling nets from duty.

There being no objection, the Clerk read the bill, as follows:

Whereas it is the declared policy of the United States of America to foster the conservation and proper utilization of its natural resources, and whereas the effecting of such policy depends upon the increase in knowledge about wildlife, including birds, to be found from time to time within said United States, which knowledge must in turn rest upon study and research; and

Whereas the taking of birds by qualified persons for banding and other scientific or educational purposes is an essential and integral part of such study and research, is already subject to regulation by said United States, and should be fostered as a means of preserving and enhancing the natural resources of said United States; and

Whereas increasing the availability of fowling nets used in taking birds will greatly aid such study and research; and the importation of such fowling nets exempt from duty by including such nets in the free list of the Tariff Act of 1930, as amended, will increase the availability of such nets and will not result in equitable competition against or otherwise harm in any respect domestic industry and commerce: Now, therefore,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 1725 of the Tariff Act of 1930, as amended (U.S. Code, title 19, sec. 1201, par. 1725), is hereby further amended to read as follows:

"PAR. 1725. (a) Nets or finished sections of nets for use in otter trawl fishing, if composed wholly or in chief value of manila.

"(b) Nets or sections or parts of nets, finished or unfinished, of whatever material or materials composed, for use in taking wild birds, under license issued by an appropriate Federal or State governmental authority."

With the following committee amendments:

Page 2, line 11, strike our "birds," and insert "birds".

Strike out the preamble.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 6682, which was introduced by our colleague, the Honorable WILLIAM B. WIDNALL, and which was unanimously reported by the Committee on Ways and Means, is to provide for the entry, free of duty, of nets or sections or parts of nets, finished or unfinished, of whatever material or materials composed, for use in taking wild birds under licenses issued by an appropriate Federal or State governmental authority.

H.R. 6682, as amended by your committee, would transfer from the dutiable to the free list of the Tariff Act of 1930 articles which are known as "fowling nets." Fowling nets are used by organizations and persons engaged in banding of birds. The nets are used to temporarily capture birds and are designed to facilitate quick banding and release of the birds. Birdbanding activities, which are carried out primarily under the coordination and sponsorship of the U.S. Department of Interior, assist interested parties in learning more about bird distribution, population, and migration and their determinants. For example, banding of blackbirds, which in some areas are exceedingly detrimental to cereal crops, has resulted in establishing the area from which the harmful birds originate, which in turn makes it now possible to apply control measures without indiscriminate destruction of blackbirds.

Birdbanding activities are primarily carried on by volunteer workers who receive no pay for their activities. The records obtained as a result of these activities are turned over to the U.S. Government and are used in research. The Government supplies the bird bands and the record forms. Each volunteer bander supplies his own traps or nets, bait, and other equipment necessary for him to perform the banding function.

The Department of Commerce advised your committee that to the best of its knowledge fowling nets are not produced in the United States. Your committee received favorable reports on H.R. 6682 from the Departments of State, Treasury, Interior, and Commerce.

Your committee believes that there is no reason why the United States should levy a duty on these articles which are so vitally needed in this worthwhile work and which are apparently not produced in the United States.

Your committee is unanimous in recommending the passage of H.R. 6682, as amended.

Mr. MASON. Mr. Speaker, the legislation that has just passed the House would amend the Tariff Act so as to transfer fowling nets from the dutiable list to the free list. As the name implies, fowling nets are used to capture birds and are specifically used in catching birds for banding purposes.

Birdbanding activities generally are conducted in cooperation with and under the sponsorship of the U.S. Department of Interior so as to increase our knowledge of birdlife.

During the consideration of this legislation, the Department of Commerce informed the committee membership that according to the best available information fowling nets are not produced in the United States.

The Committee on Ways and Means was unanimous in recommending approval of this legislation.

TARIFF CLASSIFICATION FOR LIGHTWEIGHT BICYCLES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8938) to provide a more definitive tariff classification description for lightweight bicycles.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph 371 of the Tariff Act of 1930, as amended, is amended by adding at the end thereof the following:

"For the purposes of this paragraph and any existing or future proclamation of the President relating thereto, only bicycles with frames (not including the wheel forks) consisting of all straight tubing (commercially known as diamond frame bicycles), shall be classified for duty purposes in any tariff classification for 'bicycles having both wheels over twenty-five inches in diameter, if weighing less than thirty-six pounds complete without accessories and not designed for use with tires having a cross-sectional diameter exceeding one and five-eighths inches': *Provided,* That any bicycles which, except for this amendment, would have been classified for duty purposes under the tariff classification described above, shall be classified for duty purposes under such other provision of paragraph 371 of the Tariff Act of 1930, as heretofore or hereafter modified pursuant to any proclamation of the President, which describes such bicycles."

"SEC. 2. (a) For the purposes of section 350 of the Tariff Act of 1930, as amended, the foregoing amendment shall be considered as having been in effect continuously since the original enactment of section 350: *Provided,* That for the purposes of including a continuance of the customs treatment provided for in such amendment in any trade agreement entered into pursuant to section 350 prior to the entry into force of the amendment pursuant to subsection (b), the provisions of section 4 of the Trade Agreements Act, as amended (19 U.S.C. 1354), and of sections 3 and 4 of the Trade Agreements Extension Act of 1951, as amended (19 U.S.C. 1360 and 1361), shall not apply.

"(b) The foregoing amendment shall enter into force as soon as practicable, on a date to be specified by the President in a notice to the Secretary of the Treasury, but in any event not later than ninety days after the passage of this Act."

With the following committee amendments:

Page 1, line 4, strike out "amended," and insert "amended by inserting '(a)' after 'Par. 371.', and ".

Page 1, line 5, before "For" insert "(b)".

Page 1, line 7, after "the" insert "front and rear".

Page 1, strike out line 10 and in line 11 strike out "over twenty-five inches in diameter," and insert: "as 'bicycles with or without tires, having wheels in diameter (measured to the outer circumference of the tires) over twenty-five inches,".

Page 2, line 4, strike out "amendment," and insert "subparagraph,".

Page 2, line 10, strike out the quotation marks.

Page 2, line 22, strike out the quotation marks.

Page 3, strike out "Treasury, but" in line 2 and all of lines 3 and 4 and insert: "Treasury following such negotiations as may be necessary to effect a modification or termination of any international obligation of the United States with which the amendment might conflict, but in any event not later than 180 days after the date of the enactment of this Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the purpose of H.R. 8938, which was introduced by our colleague, the Honorable Ross BASS, and which was unanimously reported by the Committee on Ways and Means, is to amend paragraph 371, Tariff Act of 1930, as amended and modified, to insure that for the purposes of that paragraph and any existing or future proclamation of the President relating thereto, only bicycles with frames, not including the front and rear wheel forks, consisting of all straight tubing shall be classified for duty purposes under any provision for bicycles with or without tires, having wheels in diameter—measured to the outer circumference of the tires—over 25 inches, if weighing less than 36 pounds complete without accessories and not designed for use with tires having a cross-sectional diameter exceeding 1⅝ inches.

Pursuant to the authority given to him in section 350 of the Tariff Act of 1930, as amended, the President in 1947 proclaimed a modification in duty to reflect a trade agreement concession on certain bicycles provided for in paragraph 371 of the Tariff Act of 1930, as modified. These bicycles were described as follows for the purposes of the trade agreement concession:

Bicycles with or without tires, having wheels in diameter (measured to the outer circumference of the tire):

Over twenty-five inches—

If weighing less than thirty-six pounds complete without accessories and not designed for use with tires having a cross-sectional diameter exceeding one and five-eighths inches.

The committee is convinced that the record made before the Committee for Reciprocity Information, the agency which heard interested parties before the trade agreement negotiations in question were started, shows that this trade agreement concession was intended to cover bicycles which are commonly known as diamond frame bicycles; that is, bicycles with frames, not including the front and rear wheel forks, consisting of all straight tubing.

In 1954, the domestic producers of bicycles introduced a new bicycle style, featuring a curved tubular frame, which they called the middleweight bicycle. This model proved popular with consumers. Its popularity led foreign manufacturers to imitate this style of bicycle. However, the foreign producers found that if they mounted tires normally used on typical lightweight bicycles on curved tubular frame bicycles they could get the benefit of the lower rate of duty applicable under the trade agreement concession to typical lightweight bicycles. The customs authorities decided that the typical lightweight bicycle provision was not, by its own terms, limited to bicycles with straight tubular frames and accordingly, any bicycle meeting the stated specifications as to weight, diameter of wheels, and size of tires was classifiable thereunder, irrespective of the type of frame of the bicycle.

The passage of H.R. 8938 will insure that any provision for typical lightweight bicycles in paragraph 371 of the Tariff Act of 1930, as modified, will be applicable only to such typical bicycles, that is, straight tubular frame bicycles. The bill will consequently result in requiring a reclassification to another appropriate provision of paragraph 371, as modified, of those types of bicycles which are not typical lightweight bicycles, but which, nevertheless, are presently being classified under the provision therefor.

Your committee unanimously recommends the passage of H.R. 8938.

Mr. MASON. Mr. Speaker, this legislation pertains to the tariff classification for lightweight bicycles. During the consideration of this legislation, information was presented to the committee suggesting that bicycles that were in fact not lightweight bicycles were entering the United States under the lightweight classification instead of as medium-weight bicycles. It is the purpose of this legislation to correct that problem.

The Committee on Ways and Means was unanimous in recommending favorable consideration of this legislation to the House.

Mr. BASS of Tennessee. Mr. Speaker, in connection with H.R. 8938, that just passed, may I say that this bill seeks only to insure the application of the original trade agreement intent—1947—that bicycles classified as "lightweights" shall have frames—not including the front and rear wheel forks—of all straight tubing.

The record before the Committee for Reciprocity Information conclusively demonstrates that this was, in fact, the correct and proper intent of the trade agreement negotiators—see House Report No. 1255, 87th Congress, 1st session, at page 2.

Passage of H.R. 8938 will permit all bicycles which were originally intended to come in at the lower lightweight duty rate to continue to come in at that lower rate.

As the practice directly contravenes the 1947 trade agreement intent, curved tubular bicycles of American middleweight design will no longer be permitted entry into the United States at the low lightweight duty rate. This is as it should be and follows from the initial understanding and subsequent statements of all parties, including foreign manufacturers, importers, and domestic producers.

Calling as it does for the application of the original trade agreement intent, this bill is of a distinctly just and equitable nature. In these circumstances, a proper lightweight tariff classification should be worked out prior to the negotiations of further general tariff reductions.

SALE PRICE FOR MANUFACTURERS EXCISE TAXES

Mr. MILLS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 8952) to amend the Internal Revenue Code of 1954 with respect to the conditions under which the special constructive sale price rule is to apply for purposes of certain manufacturers excise taxes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4216(b)(2) of the Internal Revenue Code (relating to special rule for determining constructive sale price) is amended by adding at the end thereof the following new sentence: "Subparagraph (C) shall not apply in the case of articles taxable under section 4111, section 4121, or section 4141."

SEC. 2. The amendment made by the first section of this Act shall apply with respect to articles sold by the manufacturer, producer, or importer on or after January 1, 1959.

With the following committee amendment:

Page 2, line 2, strike out "1959" and insert "1962".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MILLS. Mr. Speaker, the Excise Tax Technical Changes Act of 1958 provided that in determining the base for the computation of manufacturers excise taxes, a constructive sales price could be used where sales were made to retailers or to consumers if sales were also made at the wholesale level. However, this provision applies only if the normal method of sales within the industry is not to sell articles at retail, to retailers, or to both. This bill provides that this latter restriction will not apply in the case of the manufacturers excise taxes on refrigerators and related items, on electric, gas, and oil appliances, and on radios and television sets and related items.

This bill, therefore, amends section 4216(b)(2) of the code, which contains the special rule for determining constructive sales price, to provide that the provision limiting the application of this rule to those industries where the normal method of sales of the articles is not at retail or to retailers—or a combination of the two—is not to apply in the case of articles taxable under the three sections referred to above; namely, sections 4111, 4121, and 4141.

This bill has been reported unanimously by your committee.

AGRICULTURAL ADJUSTMENT ACT

Mr. GATHINGS. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 11027) to amend the Agricultural Adjustment Act of 1938, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 344(n) of the Agricultural Adjustment Act of 1938, as amended, is amended (1) by striking out the figures "1961" where they first appear therein and inserting the figures "1962".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NATIONAL DRUM CORPS WEEK

Mr. LANE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, I seek approval of House Joint Resolution 654, designating the week of July 15 to July 21, 1962, as "National Drum Corps Week."

With the good weather season, we enjoy the sight and sound of the brilliantly uniformed drum corps that march in parades, and give color and dash to many other public events. As we are stirred by the music and the precision maneuvers, we think of the long hours of practice that are required to perfect this group technique. The pride of the youngsters in their talent and skill is a wholesome development that deserves widespread recognition and appreciation.

Few people realize that more than 100,000 youngsters throughout the Nation are rehearsing 15 hours a week on the music and the drills that lead to the polished proficiency of a good drum corps. To qualify for membership in a drum corps requires hard work, cooperation with others, and self-discipline.

No less an authority than J. Edgar Hoover, Director of the Federal Bureau of Investigation, has complimented the Drum Corps News for promoting interest among youngsters in this activity. Drum corps offer a healthy outlet for the energy of youngsters; give them a feeling of accomplishment; and strengthen character through wholesome group effort.

The Drum Corps News which is published in Lynn, Mass., is the only drum and bugle corps newspaper in the United States. It is read from coast to coast by over 8,000 people—twice monthly. It is the clearinghouse for information on equipment, news, and pictures of interest to twirlers, color guards, drummers, and buglers; and details of the many competitive events that the regular press does not carry.

Participation in a drum corps affords opportunity and encouragement to young people. It is a constructive experience that helps them to become good citizens. It is one form of insurance against juvenile delinquency.

In recognition of the contributions by all who are engaged in this activity, I urge approval of House Joint Resolution 654 that will designate the week of July 15 to July 21 as "National Drum Corps Week."

CALL OF THE HOUSE

Mr. EVERETT. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. ALBERT. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 60]

Abbitt	Fascell	O'Brien, Ill.
Addonizio	Finnegan	O'Hara, Mich.
Alford	Gavin	Patman
Andrews	Granahan	Peterson
Avery	Grant	Powell
Ayres	Gray	Rains
Bailey	Green, Oreg.	Reece
Baker	Halleck	Rivers, S.C.
Barrett	Hays	Rogers, Colo.
Barry	Hébert	Rooney
Blitch	Hoffman, Mich.	Rostenkowski
Bow	Huddleston	Scott
Boykin	Inouye	Selden
Brewster	Johnson, Md.	Shelley
Celler	Jones, Ala.	Slack
Clark	Kearns	Smith, Miss.
Coad	Kee	Spence
Cooley	Keith	Steed
Corbett	Kilburn	Thompson, La.
Cramer	McDowell	Thompson, N.J.
Davis, Tenn.	McIntire	Van Pelt
Dawson	Macdonald	Whitten
Diggs	Morrison	Wilson, Ind.
Dingell	Morse	
Dowdy	Murray	

The SPEAKER. On this rollcall 362 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EFFICIENT TRANSPORTATION SYSTEM—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—(H. DOC. NO. 384)

The SPEAKER laid before the House the following message from the President of the United States, which was read, referred to the Committee of the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

An efficient and dynamic transportation system is vital to our domestic economic growth, productivity, and progress. Affecting the cost of every commodity we consume or export, it is equally vital to our ability to compete abroad. It influences both the cost and the flexibility of our defense preparedness, and both the business and recreational opportunities of our citizens. This Nation has long enjoyed one of the most highly developed and diversified transportation systems in the world, and this system has helped us to achieve a highly efficient utilization of our manpower and resources.

Transportation is thus an industry which serves, and is affected with, the national interest. Federal laws and policies have expressed the national interest in transportation particularly in the last 80 years: through the promotion and development of transportation facilities, such as highways, airways, and waterways; through the regulation of rates and services; and through general governmental policies relating to taxation, procurement, labor, and competition. A comprehensive program for transportation must consider all of these elements of public policy.

During the last session of Congress, action was taken to place our Federal-aid highway program on a sounder fiscal basis. Initial steps were taken to improve the operations of our regulatory agencies through reorganization. A beginning was also made toward meeting the needs of our cities for mass transportation. By Executive order, I recently assigned to the Department of Commerce authority for emergency transportation planning.

But pressing problems are burdening our national transportation system, jeopardizing the progress and security on which we depend. A chaotic patchwork of inconsistent and often obsolete legislation and regulation has evolved from a history of specific actions addressed to specific problems of specific industries at specific times. This patchwork does not fully reflect either the dramatic changes in technology of the past half century or the parallel changes in the structure of competition.

The regulatory commissions are required to make thousands of detailed decisions based on out-of-date standards. The management of the various modes of transportation is subjected to excessive, cumbersome and time-consuming regulatory supervision that shackles and distorts managerial initiative. Some parts of the transportation industry are restrained unnecessarily; others are promoted or taxed unevenly and inconsistently.

Some carriers are required to provide, at a loss, services for which there is little demand. Some carriers are required to charge rates which are high in relation to cost in order to shelter competing carriers. Some carriers are prevented from making full use of their capacity by restrictions on freedom to solicit business or adjust rates. Restraints on cost-reducing rivalry in rate making often cause competition to take the form of cost-increasing rivalry—such as excessive promotion and traffic solicitation, or excessive frequency of service. Some carriers are subject to rate regulation on the transportation of particular commodities while other carriers, competing for the same traffic, are exempt. Some carriers benefit from public facilities provided for their use, while others do not; and of those enjoying the use of public facilities, some bear a large part of the cost, while others bear little or none.

No simple Federal solution can end the problems of any particular company or mode of transportation. On the contrary, I am convinced that less Federal regulation and subsidization is in the long run a prime prerequisite of a healthy intercity transportation network.

The constructive efforts of State and local governments as well as the transportation industry will also be needed to revitalize our transportation services.

This administration's study of long-range transportation needs and policies convinces me that current Federal policies must be reshaped in the most fundamental and far-reaching fashion. While recognizing that a revision of the magnitude required is a task to which the Congress will wish to devote considerable time and effort, I believe the recommendations below are of sufficient urgency and importance that the Congress should begin consideration of them at the earliest practicable date. If direct and decisive action is not taken in the near future, the undesirable developments, inefficiencies, inequities, and other undesirable conditions that confront us now will cause permanent loss of essential services or require even more difficult and costly solutions in the not-too-distant future.

A BASIC NATIONAL TRANSPORTATION POLICY

The basic objective of our Nation's transportation system must be to assure the availability of the fast, safe, and economical transportation services needed in a growing and changing economy to move people and goods, without waste or discrimination, in response to private and public demands at the lowest cost consistent with health, convenience, national security, and other broad public objectives. Investment or capacity should be neither substantially above nor substantially below these requirements—for chronic excess capacity involves misuse of resources, and lack of adequate capacity jeopardizes progress. The resources devoted to provision of transportation service should be used in the most effective and efficient manner possible; and this, in turn, means that users of transport facilities should be provided with incentives to use whatever form of transportation which provides them with the service they desire at the lowest total cost, both public and private.

This basic objective can and must be achieved primarily by continued reliance on unsubsidized privately owned facilities, operating under the incentives of private profit and the checks of competition to the maximum extent practicable. The role of public policy should be to provide a consistent and comprehensive framework of equal competitive opportunity that will achieve this objective at the lowest economic and social cost to the Nation.

This means a more coordinated Federal policy and a less segmented approach. It means equality of opportunity for all forms of transportation and their users and undue preference to none. It means greater reliance on the forces of competition and less reliance on the restraints of regulation. And it means that, to the extent possible, the users of transportation services should bear the full costs of the services they use, whether those services are provided privately or publicly.

For some 75 years, common carriage was developed by the intention of Congress and the requirements of the public as the core of our transport system. This pattern of commerce is changing—the common carrier is declining in status and stature with the consequent growth of the private and exempt carrier. To a large extent this change is attributable to the failure of Federal policies and regulation to adjust to the needs of the shipping and consuming public; to a large extent it is attributable to the fact that the burdens of regulation are handicapping the certificated common carrier in his efforts to meet his unregulated competition. Whatever the cause, the common carrier with his obligation to serve all shippers—large or small—on certain routes at known tariffs and without any discrimination performs an essential function that should not be extinguished.

Considerable research and analysis, going far beyond our present findings, will be required before we know enough about the costs and other characteristics of various forms of transportation to guarantee the achievement of these objectives in full. In the meantime, it is clear that the following fundamental reforms in our transportation policy are needed now.

PART I. INTERCITY TRANSPORTATION

Our system of intercity public transportation—including railroads, trucks, buses, ships and barges, airplanes, and pipelines—is seriously weakened today by artificial distortions and inefficiencies inherent in existing Federal policies. Built up over the years, they can be removed only gradually if we are to mitigate the hardships that are bound to arise in any program of far-reaching adjustment.

As an initial step, I am requesting the Chairmen of the Civil Aeronautics Board, the Interstate Commerce Commission, and the Federal Maritime Commission to meet at frequent intervals to discuss regulatory problems affecting the various modes of transportation and to seek coordinated solutions in the form of legislation or administrative action that will improve the regulatory process.

(A) EQUAL COMPETITIVE OPPORTUNITY UNDER DIMINISHED REGULATION

(1) Bulk commodities: At present, the transportation of bulk commodities by water carriers is exempt from all rate regulation under the Interstate Commerce Act, including the approval of minimum rates; but this exemption is denied to all other modes of transportation. This is clearly inequitable both to the latter and to shippers—and it is an inequity which should be removed. Extending to all other carriers the exemption from the approval or prescription of minimum rates would permit the forces of competition and equal opportunity to replace cumbersome regulation for these commodities, while protecting the public interest by leaving intact the ICC's control over maximum railroad rates and other safeguards (such as the prohibition against discrimination, and requirements on car service and common carrier responsibility). While this would be the preferable way to eliminate the existing inequality, Congress could elect to place all carriers on an equal footing by repealing the existing exemption—although this would result in more, instead of less, regulation and very likely in higher though more stable rates. Whichever alternative is adopted, these commodities are too important a part of carrier traffic to continue to be governed so unequally by Federal rate regulation.

(2) Agricultural and fishery products: An exemption similar to that described above, and now available only to motor carriers and freight forwarders, relates to agricultural and fishery products. This exemption from minimum rates should also be extended to all carriers. Here, too, the ICC should retain control of maximum railroad rates and certain other controls to protect the public interest in those areas where there is no effective truck or water carrier competition to keep rates down.

The combined effect of extending these bulk and agricultural exemptions will be to reduce drastically and equalize fairly the regulation of freight rates in this country. Freed to exercise normal managerial initiative, carriers will be able to rationalize their operations and reduce costs; and shippers should consequently enjoy a wider choice, improved service, and lower rates.

(3) Intercity passenger rates: The traveling public, like the commercial shipper, is also uninterested in paying higher rates to subsidize weak segments of the transportation industry. Chronic overcapacity and deficits can be ended in the long run only in an industry made fit, lean, and progressive by vigorous competition and innovation. But this is not possible as long as Federal agencies fix uniform minimum rates for passenger travel. I recommend, therefore, that the Congress enact legislation which would eventually limit the control of intercity passenger rates to the establishment of maximum rates only. In the case of the airlines, it may be preferable to initiate this program on a gradual or temporary basis under existing authority.

To prevent the absence of minimum rate regulation under the above three proposals from resulting in predatory, discriminatory trade practices or rate wars reflecting monopolistic ambitions rather than true efficiency, the Congress should make certain that such practices by carriers freed from minimum rate regulations would be covered by existing laws against monopoly and predatory trade practices.

While the above three recommendations relate to the most critical—and controversial—problems of unnecessary or unequal regulatory curbs on transportation, other changes in the Interstate Commerce Act and the Federal Aviation Act are needed consistent with these same principles. I recommend that legislation be enacted to—

(4) Assure all carriers the right to ship vehicles or containers on the carriers of other branches of the transportation industry at the same rates available to noncarrier shippers. This change will put the various carriers in a position of equality with freight forwarders and other shippers in the use of the promising and fast-growing piggyback and related techniques;

(5) Repeal the provision of the Interstate Commerce Act which now prevents a railroad from hauling cargo it owns. The need for this provision, which goes back to the days of oppressive railroad monopoly, has largely passed; and its current effect is to handicap the railroads in competing with other modes of transportation. The antitrust laws can insure protection against the possible abuse by a railroad of its dual status as shipper and carrier; and

(6) Direct the regulatory agencies to sanction experimental freight rates, modifications and variations in existing systems of classification and documentation, and new kinds or combinations of service.

(B) CONSISTENT POLICIES OF TAXATION AND USER CHARGES

The same accidents of circumstance that have molded our transportation regulatory policies and programs have largely determined specific transportation taxes. As a result, inequities have developed and in some instances have persisted for many years.

(1) Transportation excise tax: I have already recommended repeal of the 10-percent passenger transportation tax. This tax, a vestige of World War II and the Korean war, has undoubtedly discriminated against public transportation in favor of the automobile. I again recommend repeal of this tax to improve the competitive position of intercity railroad and bus passenger transportation systems, which generally are not publicly supported, and to clear the way for an equitable system of user charges for aviation.

(2) Aviation: For commercial airlines, I have suggested (a) continuation of the 2-cents-per-gallon net tax on gasoline and extension of that tax rate to all jet fuels; and (b) a 5-percent tax on airline tickets and on airfreight waybills. By delaying until January 1, 1963, the effective date of all proposed changes as they affect aviation—including the repeal of the passenger tax for the airlines—ample time will be allowed for review by the Civil Aeronautics Board of any tariff adjustments that may be required by the carriers to recover the cost of user charges on fuel. The ticket and waybill taxes will be passed on directly to ultimate users.

For general aviation, such as recreational flying and company planes to which ticket and waybill taxes would not be applicable, a fuel tax of 3 cents per gallon is recommended as a minimal step toward recouping the heavy Federal investment in the airways.

All of the above taxes—in effect user charges—will recover only about half of the annual cost of the Federal airways system which is properly allocable to civil aviation. Total airways costs, which are approximately $500 million annually, have risen steadily in the past decade and will continue to grow as airways facilities and services are improved to accommodate future air traffic. Repeal of the 10-percent passenger tax as it now applies to aviation should not become effective, therefore, until the recommended user charges are in force for all segments of civil aviation.

(3) Inland waterways: Also in the interest of equality of treatment and opportunity, the principle of user charges should be extended to the inland waterways. A tax of 2 cents per gallon should be applied to all fuels used in transportation on the waterways. The recommended effective date, January 1, 1963, will allow time for review by the Interstate Commerce Commission of any adjustments that may be necessary in common carrier rates. This deferral is recommended even though the bulk of inland waterways traffic is carried by unregulated rather than regulated carriers.

The new tax should include an exemption similar to the current exemption

from taxation accorded to gasoline and ships' supplies for vessels employed in the fisheries, foreign trade, or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions. Vessels in domestic trade using facilities and routes similar to those engaged in foreign trade and vessels in coastal trade which are too large to use the intracoastal waterways should also be exempted.

This administration recognizes the responsibility of the Government to maintain and improve our system of inland waterways. Over $2 billion of Federal funds has already been invested in capital improvements. Expenditures for operating and maintaining the waterways are about $70 million annually, even though only a small fraction of the traffic consists of common carriers which serve all shippers and the general public. The users of the waterways include some of the largest and financially strongest corporations in the United States today, and it is surely feasible and appropriate for them to pay a small share of the Federal Government's costs in providing and maintaining waterway improvements.

(4) Income taxes: Another effort to improve equity in taxation is being taken by the Treasury Department, which is reviewing the administrative guidelines now governing depreciation rates in the transportation industry. The objective of this administration will be to give full recognition to current economic forces, including obsolescence, which in their impact upon the lives of depreciable assets may affect quite differently the different modes of transportation and, therefore, their competitive relationships. In addition, I recommend that the Internal Revenue Code be amended to increase from 5 to 7 years the period during which regulated public utilities, including those in transportation, can apply prior year losses to reduce current income for tax purposes.

(C) EVENHANDED GOVERNMENT PROMISE OF INTERCITY TRANSPORTATION

To achieve a better balance of Federal promotional programs:

(1) I urge favorable consideration of legislation proposed by the Civil Aeronautics Board last year to make the domestic trunk air carriers ineligible for operating subsidies in the future. These carriers provide more passenger miles of transportation service than any of the other common carriers; and, while they are experiencing temporary overcapacity and have recently sustained financial losses, they have bright prospects for longrun growth and prosperity which should make them permanently independent of Government support.

(2) With respect to other aviation subsidies, the Congress has limited to $6 million the funds available in fiscal 1962 for the payment of operating subsidies to the three certificated helicopter services; and the Appropriations Committees have requested the Civil Aeronautics Board to prepare a schedule for the termination of these subsidies. I endorse this position and seek the extension of this principle. I am asking the Board to develop by June 30, 1963, a step-by-step program, with specific annual targets, to assure sharp reduction of operating subsidies to all other domestic airlines as well, within periods to be established by the Board for each type of service or carrier. Rigorous enforcement of the Board's use-it-or-lose-it policy and further development of the class rate subsidy plan which the Board initiated in January 1961 with the cooperation of the local service carriers would clearly facilitate this objective. The development of single airports to serve adjacent cities, or regional airports, is also clearly necessary if these subsidies are to be eliminated and if the Federal Government and local communities are to meet the Nation's needs for adequate airports and air navigation facilities without excessive and unjustifiable costs.

(3) The Federal Government is a major user of transportation services. To assure the greatest practical use of the transportation industry by Government, I am directing all agencies of the Government, in meeting their own transport needs, to use authorized commercial facilities in all modes of transportation within the limits of economical and efficient operations and the requirements of military readiness.

(4) I also recommend that the Post Office Department be given greater flexibility in arranging for the transportation of mail by motor vehicle common carrier.

(5) Last year the Congress extended until June 30, 1963, the authority by which the Interstate Commerce Commission has been guaranteeing interest and principal payments on emergency loans to the railroads for operations, maintenance, and capital improvements for which the carriers cannot otherwise obtain funds on reasonable terms. A similar law by which the Government guarantees loans for aircraft and parts being purchased by certain certificated air carriers will expire this year. Since the Department of Commerce is already a focal point for Government transportation activities and since, in the interest of program coordination and consistency of policy these activities should be further consolidated, I recommend that the railroad loan guarantee authority, and the aviation loan guarantee authority if it is extended, be transferred to the Department of Commerce. These problems are not regulatory in nature and are clearly separable from the chief functions of the Interstate Commerce Commission and the Civil Aeronautics Board, and can be acted upon more expeditiously by an executive agency.

(D) PROTECTION OF THE PUBLIC INTEREST

(1) Mergers: A great resurgence of merger talk has occurred in the railroad and airline industries in the last several years, and major mergers have been proposed in recent months in both industries. The soundness of such mergers should be determined, not in the abstract, but by applying appropriate criteria to the circumstances and conditions of each particular case. This administration has a responsibility to recommend more specific guidelines than are now available and more specific procedures for applying them.

Accordingly, I have directed the formation of an interagency group to undertake two tasks: first, after proper consultation with interested parties, to formulate general administration policies on mergers in each segment of the transportation industry; and second, to assist the Department of Justice in developing a Government position on each merger application for presentation before the regulatory agencies. This group will consist of agency representatives designated by the Attorney General, the Secretary of Commerce, the Secretary of Labor, the Chairman of the Council of Economic Advisers, and the heads of other agencies involved in a particular case. Under the chairmanship of Commerce, this group will examine each pending merger in transportation on the basis of the following criteria and others which they may develop:

(1) Effective competition should be maintained among alternative forms of transportation, and, where traffic volume permits, between competing firms in the same mode of transportation.

(2) The goals of economical, efficient, and adequate service to the public—and reduction in any public subsidies—should be secured by the realization of genuine economies.

(3) Affected workers should be given the assistance to make any necessary adjustments caused by the merger.

(2) Through routes and joint rates: For many years some regulatory agencies have been authorized to appoint joint boards to act on proposals for intercarrier services; but they have taken virtually no initiative to foster these arrangements which could greatly increase service and convenience to the general public and open up new opportunities for all carriers. I recommend, therefore, that Congress declare as a matter of public policy that through routes and joint rates should be vigorously encouraged, and authorize all transportation agencies to participate in joint boards.

(3) I have requested the Secretary of Defense and the Administrator of General Services to make the fullest possible use of their statutory powers, and I urge the enactment of such additional legislation as may be necessary, to encourage experimental rates and services—to explore every promising simplification of rate structures—and to encourage the development of systems that will make rate ascertainment and publication less costly and more convenient. These experiments will be pilot studies for a more general simplification of rates and for the application of new kinds of service to transportation in general.

(4) I am requesting the National Conference of Commissioners on Uniform State Laws, in cooperation with the Interstate Commerce Commission, to develop and urge adoption of uniform State registration laws for motor carriers operating within States but handling interstate commerce. The Congress should, consistent with this effort, give

the Interstate Commerce Commission authority to enter into cooperative enforcement agreements with the various States, covering both the economic and the safety aspects of highway transportation.

(5) I recommend that all common carriers, including freight forwarders and motor carriers, be required to pay reparations to shippers charged unlawfully high rates.

(6) Finally, I recommend that the civil penalty now imposed on motor carriers for failure to file required reports be substantially increased; that the same civil penalty be imposed for violations of safety regulations and for operating without authority; and that the safety regulations of the Interstate Commerce Commission should be made fully applicable to private, as well as to common and contract carriers, so as to clarify the ambiguous situation prevailing at present.

PART II. URBAN TRANSPORTATION

I have previously emphasized to the Congress the need for action on the transportation problems resulting from burgeoning urban growth and the changing urban scene.

Higher incomes coupled with the increasing availability of the automobile have enabled more and more American families, particularly younger ones with children, to seek their own homes in suburban areas. Simultaneously, changes and improvements in freight transportation, made possible by the development of modern highways and the trucking industry, have reduced the dependence of manufacturers on central locations near port facilities or railroad terminals. The development of improved production techniques that require spacious, one-story plant layouts have impelled many industries to move to the periphery of urban areas. At the same time the importance of the central city is increasing for trade, financial, governmental, and cultural activities.

One result of these changes in location patterns has been a change in the patterns of urban travel. Formerly people traveled mainly along high-density corridors radiating to and from downtown. Today traffic patterns are increasingly diverse. Added to traditional suburb-to-city movements are large crosstown flows which existing mass transportation systems are often not geared to handle. Also, the increasing use of automobiles to meet urban transportation needs has resulted in increasing highway congestion, and this has greatly impeded mass transportation service using those highways.

This drastic revision of travel patterns in many urban areas has seriously impaired the effectiveness and economic viability of public mass transportation, which is geared to the older patterns. A steady decline in patronage and a concomitant rise of unprofitability and financial problems have occurred. This has been particularly true of rail commuter and street car services limited to particular routes by fixed roadbeds.

To conserve and enhance values in existing urban areas is essential. But at least as important are steps to promote economic efficiency and livability in areas of future development. In less than 20 years we can expect well over half of our expanded population to be living in 40 great urban complexes. Many smaller places will also experience phenomenal growth. The ways that people and goods can be moved in these areas will have a major influence on their structure, on the efficiency of their economy, and on the availability for social and cultural opportunities they can offer their citizens. Our national welfare therefore requires the provision of good urban transportation, with the properly balanced use of private vehicles and modern mass transport to help shape as well as serve urban growth.

At my request, the problems of urban transportation have been studied in detail by the Housing and Home Finance Administrator and the Secretary of Commerce. Their field investigations have included some 40 metropolitan and other communities, large and small. Their findings support the need for substantial expansion and important changes in the urban mass transportation program authorized in the Housing Act of 1961 as well as revisions in Federal highway legislation. They give dramatic emphasis, moreover, to the need for greater local initiative and to the responsibility of the States and municipalities to provide financial support and effective governmental auspices for strengthening and improving urban transportation.

On the basis of this report, I recommend that long-range Federal financial aid and technical assistance be provided to help plan and develop the comprehensive and balanced urban transportation that is so vitally needed, not only to benefit local communities, but to assure more effective use of Federal funds available for other urban development and renewal programs. I recommend that such Federal assistance for mass transportation be limited to those applications (1) where an organization, or officially coordinated organizations, are carrying on a continuing program of comprehensive planning on an areawide basis, and (2) where the assisted project will be administered through a public agency as part of a unified or officially coordinated areawide transportation system.

(A) Long-range program: Specifically, I recommend that the Congress authorize the first installment of a long-range program of Federal aid to our urban regions for the revitalization and needed expansion of public mass transportation, to be administered by the Housing and Home Finance Agency. I recommend a capital grant authorization of $500 million to be made available over a 3-year period, with $100 million to be made available in fiscal 1963. Only a program that offers substantial support and continuity of Federal participation can induce our urban regions to organize appropriate administrative arrangements and to meet their share of the costs of fully balanced transportation systems.

This Federal assistance should be made available to qualified public agencies in the form of direct grants to be matched by local, non-Federal contributions. For rights-of-way, fixed facilities, including maintenance and terminal facilities, and rolling stock required for urban mass transportation systems, grants should be provided for up to two-thirds of the project cost which cannot reasonably be financed from expected revenue. The remaining one-third of the net project cost would be paid by the locality or State from other sources, without Federal aid. The extension and rehabilitation of existing systems as well as the creation of new systems should be eligible. In no event should Federal funds be used to pay operating expenses. Nor should parking facilities, except those directly supporting public mass transportation, be eligible for Federal grants.

While it is expected that the new grant program will be the major Federal support for urban mass transportation, it is important to have Federal loans available where private financing cannot be obtained on reasonable terms, I therefore recommend removal of the time limit on the $50 million loan authorization provided in the Housing Act of 1961. Federal loans would not be available to finance the State or local one-third contribution to net project cost.

Although grants and loans would be available only to public agencies, those agencies could lease facilities and equipment or make other arrangements for private operation of assisted mass transportation systems. The program is not intended to foster public as distinguished from private mass transit operations. Each community should develop the method or methods of operation best suited to its particular requirements.

A community should be eligible for a mass transportation grant or loan only after the Housing Administrator determines that the facilities and equipment for which the assistance is sought are necessary for carrying out a program for a unified or officially coordinated urban transportation system as a part of the comprehensively planned development of the urban area.

The program I have proposed is aimed at the widely varying transit problems of our Nation's cities, ranging from the clogged arteries of our most populous metropolitan areas to those smaller cities which have only recently known the frustrations of congested streets. There may, however, be some highly specialized situations in which alternative programs, for example, loan guaranties under stringent conditions, would be better suited to particular needs and the Congress may, therefore, wish to consider such alternatives.

(B) Emergency aid: Time will be required by most metropolitan areas to organize effectively for the major planning efforts required. Even more time may be needed to create public agencies with adequate powers to develop, finance and administer new or improved public transportation systems. Meanwhile, the crisis conditions that have already emerged in some areas threaten to become widespread. Mass transportation continues to deteriorate and even to dis-

appear. Important segments of our population are thus deprived of transportation; highway congestion and attendant air pollution become worse; and the destructive effects upon central business districts and older residential areas are accelerated.

In recognition of this serious situation, I also recommend that the Congress, for a period of 3 years only, authorize the Housing Administrator to make emergency grants, (a) where there is an urgent need for immediate aid to an existing mass transportation facility or service that might otherwise cease to be available for transportation purposes, (b) where an official long-range program for a coordinated system is being actively prepared, and (c) where the facilities or equipment acquired under the emergency grant can reasonably be expected to be required for the new long-range system. This emergency aid should not exceed one-half of the net project cost. Upon completion of an acceptable areawide transportation program within 3 years, these emergency projects, if a part of the ultimate system, should qualify for the balance of the regular Federal assistance available under the long-range program.

(C) Role of highways: Highways are an instrumental part of any coordinated urban transportation program, and must be an integral part of any comprehensive community development plan. Accordingly, I have requested the Secretary of Commerce to make his approval of the use of highway planning funds in metropolitan planning studies contingent upon the establishment of a continuing and comprehensive planning process. This process should, to the maximum extent feasible, include all of the interdependent parts of the metropolitan or other urban area, all agencies and jurisdictions involved, and all forms of transportation, and should be closely coordinated with policymaking and program administration.

Progress has already been made in coordinated transportation planning for metropolitan areas through the use of funds made available under both Federal highway and housing legislation. To increase the effectiveness of this effort, I recommend that the Federal-aid highway law be amended to increase the percentage of Federal funds available to the States for research and planning. Legislation will be submitted to effectuate this change and to provide that (a) these funds should be available for planning and research purposes only; (b) the funds be matched by the States in accordance with statutory matching requirements; and (c) any funds not used for planning and research lapse.

In addition I recommend that the Federal-aid highway law be amended to provide that, effective not later than July 1, 1965, the Secretary of Commerce shall, before approving a program for highway projects in any metropolitan area, make a finding that such projects are consistent with comprehensive development plans for the metropolitan area and that the Federal-aid system so developed will be an integral part of a soundly based, balanced transportation system for the area involved.

Highway planning should be broadened to include adequate traffic control systems, parking facilities, and circulation systems on city streets commensurate with the traffic forecasts used to justify freeways and major arterial roadways. Provision for transit and highway facilities in the same roadway, permissible under present law and already tested in several cases, should be encouraged whenever more effective transportation will result. Moreover, I have requested the Secretary of Commerce to consider favorably the reservation of special highway lanes for buses during peak traffic hours whenever comprehensive transportation plans indicate that this is desirable.

To permit the State highway departments greater flexibility in the use of Federal-aid highway funds to meet urban transportation needs, I further recommend that the Federal-aid highway law be amended to permit more extensive use of Federal-aid secondary funds for extensions of the secondary system in urban areas.

I have asked the Secretary of Commerce and the Housing and Home Finance Administrator to consult regularly regarding administration of the highway and urban mass transportation programs, and to report to me annually on the progress of their respective programs, on the needs for further coordination, and on possibilities for improvement.

(D) Relocation assistance: Last year in a message to the Congress on the Federal-aid highway program, I called attention to the problems of families displaced by new highway construction and proposed that the Federal highway law be amended to require assistance to such families in finding decent housing at reasonable cost. The need for such assistance to alleviate unnecessary hardship is still urgent. The Secretary of Commerce has estimated that, under the interstate highway program alone, 15,000 families and 1,500 businesses are being displaced each year, and the proposed urban mass transportation program will further increase the number of persons affected.

To move toward equity among the various federally assisted programs causing displacement, I recommend that assistance and requirements similar to those now applicable to the urban renewal program be authorized for the Federal-aid highway program and the urban mass transportation program. Legislation is being submitted to authorize payments of not to exceed $200 in the case of individuals and families and $3,000 (or if greater, the total certified actual moving expenses) in the case of business concerns or nonprofit organizations displaced as a result of land acquisitions under these programs.

(E) Mass transit research and demonstrations: Further, I believe that progress will be most rapid and long lasting if the Federal Government contributes to economic and technological research in the field of urban mass transportation. These research activities should be an integral part of the research program described later in this message. Important parts of this program should be carried out by the Housing Administrator directly, through contract with other Federal agencies, private research organizations, universities and other competent bodies, or through the allocation of funds to local public agencies for approved programs.

To facilitate this approach, I recommend that the $25 million authorized last year for demonstration grants be made available for broad research and development undertakings, as well as demonstration projects, which have general applicability throughout the Nation. That amount, plus an additional $10 million from the proposed capital grant funds for each of the years 1963, 1964 and 1965 should suffice for these purposes. These funds, together with research funds available under the Federal-aid highway program, can contribute to substantial advances in urban transportation.

(F) Interstate compacts: Finally, since transportation in many urban areas is an interstate problem, I recommend that legislation be enacted to give congressional approval in advance for interstate compacts for the establishment of agencies to carry out transportation and other regional functions in urban areas extending across State lines.

PART III. INTERNATIONAL TRANSPORTATION

We should endeavor, to the maximum extent feasible, to (a) gear international transportation investment to the requirements of our peacetime international trade and travel, and (b) provide incentives to users that will channel traffic to those forms of transportation that provide desirable service at the lowest total cost. The most critical problems associated with these policies are in the national defense area. Determination must be made as to whether the number and types of ships and aircraft adequate to meet long-range peacetime needs are also adequate to meet probable military emergencies, and if they are not, how best to meet these additional requirements.

(A) Merchant marine: In the Merchant Marine Act of 1936, the U.S. Government made a new start on the vexing problems of the American merchant marine in the face of repeated failure to improve its condition both before and after World War I. Subsequently, other aids in the form of cargo preference legislation, various "trade-out" "trade-in," and tax incentives devised to stimulate new construction, and a mortgage insurance program with up to 87½ percent Federal guarantees were added to the arsenal of protection against the industry's exposure to low-cost foreign competition.

In spite of these aids, subsidies required for both construction and operations under the 1936 act have steadily increased. Operating subsidies will rise from $49 million in 1950 to over $225 million in 1963. Ship construction costs in U.S. yards are now approximately double those in Japanese and German yards. For this reason and because of an acceleration of the program beginning in 1956 to replace war-built cargo ships, Federal expenditures for new ship construction will rise to a postwar high of $112 million in 1963.

At my request, the Secretary of Commerce has undertaken a study of the current problems of the American merchant marine. This review will involve such specific issues as the state of coastal and intercoastal shipping and the costs of service to our noncontiguous territories. It will also consider more fundamental questions of long-term adjustment: Are the criteria adopted in 1936 as guides to the establishment of essential trade routes and services relevant for the future? Are there alternatives to the existing techniques for providing financial assistance which would benefit (a) the public in terms of better service and lower rates and (b) the operators in terms of higher profits, more freedom for management initiative and more incentive for privately financed research and technological advance? What research and development efforts are most likely to increase the competitiveness of our merchant marine? Can defense readiness requirements be met adequately by greater reliance on the reserve fleet and the ships of our allies under NATO agreements? Would a smaller reserve fleet be adequate? Are the international arrangements pursuant to which world shipping operations are carried on conducive to the stability of the industry, fair but effective competition and adequate service?

I have also asked the Secretary of Defense to provide the Secretary of Commerce with estimates, under a range of assumptions as to military emergencies, of what active and reserve tonnages of merchant shipping should be maintained in the interest of national security. In addition, I have established a Cabinet level committee, chaired by the Secretary of Labor, whose study will include the flags of convenience and cargo preference issues. When the findings and conclusions of these studies become available, I shall send to the Congress appropriate specific recommendations concerning our maritime program.

In the meantime, I have directed the Secretary of Commerce to implement fully section 212(d) of the Merchant Marine Act of 1936, for securing preference to vessels of U.S. registry in the movement of commodities in our waterborne foreign commerce; and I have directed all executive branch agencies to comply fully with the purpose of our cargo preference laws.

I have also recommended a stepped-up research program for developing ways and means of increasing the competitive efficiency of our merchant marine and related industries. Of particular significance in this effort will be the application of the principles of mass production, and the standardization of ship types and ship components, for reduction in the cost of new vessel construction. Also, I am urging that sound development in technology and automation be applied to merchant shipping as rapidly as possible, fully recognizing and providing for the job equities involved, as a major program for enhancing the competitive capability of our merchant marine.

(B) International aviation: An interdepartmental committee, headed by the Administrator of the Federal Aviation Agency, and including representatives from the Department of State, the Department of Defense, the Department of Commerce, the Civil Aeronautics Board, and the Bureau of the Budget, was established at my direction last July to undertake a study of U.S. international air transportation policies and problems. This study is presently underway, and will be completed in late summer. Concurrent with this policy study, the Bureau of the Budget is conducting a study of the organizational structure within which Government agencies carry out activities concerned with international aviation. Once these studies have been completed and evaluated, an administration policy on international civil aviation will be enunciated, with responsibilities assigned to the agencies involved according to statutory requirements.

PART IV. LABOR RELATIONS AND RESEARCH

(A) Labor relations: Technological advance in transportation must be explored and developed if we are to meet growing requirements for the movement of people and goods. New equipment often requires new skills, sometimes displaces labor, and often requires retraining or relocation of manpower. An overall reduction in manpower requirements in transportation is not inevitable, however; and the new Manpower Development and Training Act will help those transportation workers in need of new jobs or new skills.

For the long-range benefit of labor, management, and the public, collective bargaining in the transportation industry must promote efficiency as well as solve problems of labor-management relations. Problems of job assessments, work rules, and other employment policies must be dealt with in a manner that will both encourage increased productivity and recognize the job equities which are affected by technological change. The Government also has an obligation to develop policies and provide assistance to labor and management consistent with the above objectives.

(B) Research: To understand the increasingly complex transportation problems of the future, to identify the relationships of social, economic, administrative, and technical factors involved, to translate scientific knowledge into transportation engineering practice, to weigh the merits of alternative systems, and to formulate new, improved, and consistent policies—we need information that can evolve only from a vigorous, continuous, and coordinated program of research. Yet, in the field of transportation where we have many unfulfilled opportunities, research has been fragmented, unsteady, inadequate in scope and balance.

Scientific and engineering research will bring to all forms of transportation the benefits of new high-strength, low-cost, and durable materials, compact and economical powerplants, new devices to increase safety and convenience—improvements which have characterized the development of jet-propelled aircraft. Experiments in the maritime field have resulted in the development of a nuclear-powered merchant ship, the NS *Savannah*, which has already begun test cruises, and a hydrofoil ship, the *Dennison*, which is nearing trial runs. Transportation on land, as well as in the air and on the seas, can benefit from accelerated scientific research.

Economic and policy research will improve knowledge about the functioning of our transportation system as a whole and about the interrelation of the major branches of the industry. It should consider the new demands for transportation, the changing markets and products being handled, and the need for speed and safety. For instance, such research can consider the handling of freight as a system beginning in the shipper's plant and ending with the delivery of goods to the very doors of his customers—using new packaging, containerization, and cargo-handling methods that will take full advantage of new economies and convenience.

Taking advantage of new techniques that would provide convenience and efficiency, we must consider the impact of different forms of transportation investment on economic development; we must combine and integrate systems to take advantage of the maximum benefits of each mode of travel; we must now consider the Nation's transportation network as an articulated and closely linked system rather than an uncoordinated set of independent entities.

Just as a transport system must be built and operated as a whole, the different areas of transportation research must be coordinated within an overall concept. With the advice and assistance of the heads of the principal Federal agencies concerned with transportation and members of my own staff, the Secretary of Commerce is undertaking a broad evaluation of research needs in transportation and of the appropriate methods to meet these needs. I look to the Secretary of Commerce to develop a comprehensive transportation research program for the Government for later consideration by the Congress. Once such a coordinated and policy-oriented research program is underway, it will produce a flow of information of the kind that we must have to implement a comprehensive public policy on transportation.

Improved statistics for private and Government use are also urgently needed. The 1963 budget repeats a request made by the previous administration for funds to prepare for a census of transportation. This census will make an important beginning to supplying these much-needed data. I urge early favorable action on this request.

CONCLUSION

The troubles in our transportation system are deep; and no just and comprehensive set of goals—which meets all the needs of each mode of transportation as well as shippers, consumers, taxpayers and the general public—can be quickly or easily reached. But few areas of public concern are more basic to our progress as a nation. The Congress and all citizens, as well as all Federal agencies, have an increasing interest in and an increasing responsibility to be aware of the shortcomings of existing trans-

portation policies; and the proposals contained in this message are intended to be a constructive basis for the exercise of that responsibility.

The difficulty and the complexity of these basic troubles will not correct themselves with the mere passage of time. On the contrary, we cannot afford to delay further. Facing up to the realities of the situation, we must begin to make the painful decisions necessary to providing the transportation system required by the United States of today and tomorrow.

JOHN F. KENNEDY.

THE WHITE HOUSE, *April 5, 1962.*

TRANSPORTATION MESSAGE AND 75TH ANNIVERSARY OF INTERSTATE COMMERCE COMMISSION

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, today is a memorable day in commerce and transportation in the United States for it is a memorial day, we are celebrating the 75th anniversary of the Interstate Commerce Commission which was the first step taken by our Government toward bringing about the regulation and some degree of comity in the transportation of property and people in the United States.

It is also significant that on today, this 75th anniversary, the President of the United States sent to the Congress a message on transportation. I want to compliment the President on the message. It was a bold, factual message, facing up to the problems of transportation, the first time I believe we have had such a presentation made to the Congress, certainly during the years I have been here.

The President, in my judgment, in submitting to the Congress this transportation message, called to our attention the need for some action that would help to preserve our common carrier system. Everyone in the country who knows anything about the common carrier transportation problems knows we have got to do something to strengthen it because the requirements of this great country of ours, the needs of our people, make it necessary that we have a sound common carrier transportation system in this country. It will be the purpose of our committee to go into and analyze that part of the transportation message that will be transmitted to the Committee on Interstate and Foreign Commerce.

Under leave to extend my remarks, I include the text of a statement I made today at the exercises celebrating the 75th anniversary of the Interstate Commerce Commission.

(The matter referred to follows:)

Mr. HARRIS. Mr. Chairman, distinguished guests, ladies, and gentlemen, it is indeed a great pleasure for me to be here on this happy and memorable occasion to celebrate the 75th anniversary of the establishment of the Interstate Commerce Commission. No other independent regulatory agency in the Federal Government can match its record of accomplishment and longevity. Indeed, in point of time the Commission preceded three Federal executive departments, namely, the Department of Commerce, the Department of Labor, and the Department of Health, Education, and Welfare.

It is a most interesting and historical fact, that both the Commission and this Nation were born exactly 100 years apart out of the necessities of commerce. The immediate and motivating force which impelled our forefathers to adopt the Constitution in 1787, was the necessity to regulate commerce between the States, to rescue it from the embarrassing consequences of a multiplicity of State laws, and to provide for a national system of uniform regulation. Although such commerce, in the early days of the Republic, was insignificant, our forefathers could see very clearly even then that its regulation had to be achieved by a Congress of States, if the independence won by the States, following the Revolutionary War, was not to be lost through internal bickering amongst themselves, over tariffs and trade barriers to commerce.

Likewise, the compelling reason for the Congress, in 1887, to take the unprecedented step of creating an independent agency to regulate the railroads, was the necessity to regulate overland commerce between the States, and to rescue it from the widespread abuses that developed in the absence of a national system of uniform regulation. The authority to regulate was there under article I, section 8, clause 3, of the Constitution, but it was not used up to that time except for water transportation.

I think it appropriate on this historic occasion to review briefly some of the conditions leading up to this event.

During the early days of our Republic, such little commerce as there was between the States, was conducted mostly by coastwise vessels and vessels on the rivers, lakes, and interior streams. There was very little land traffic, particularly of an interstate character, and, even so, it was governed by the rules of common law. The exceptional regulations, if any were called for, were made by the individual States.

The jurisdiction of the Congress over commerce within the limits of the States, was not very clearly understood until the U.S. Supreme Court, in 1824, rendered its historic decision in *Gibbons* v. *Ogden*. In that case it was authoritatively and finally determined that the waters of a State, when they constituted a highway for interstate and foreign commerce were, so far as concerns such commerce, within the legislative jurisdiction of the Congress.

Consequently, exclusive rights for their navigation could not be granted by the States where the waters were located.

So far as rail commerce was concerned, the Federal Government did not affirmatively exercise its right to regulate it for a long time, leaving such regulation up to the States. However, like all good things in life, there are individuals who will soon take advantage of a situation for personal gain, and to the detriment of the public. And, so it happened, that abuses developed in the railroad industry. There was widespread discrimination between places and persons. There were special rates, rebates, underbilling, and free passes for favored persons. There was the sale of worthless securities, and the granting of public land and credit, by public officials, to railroad corporations for worthless schemes.

Many railroads built in sparsely settled territory and, lacking sufficient volume of traffic to support themselves, undertook a fierce struggle for survival by undercutting the rates and charges of competing lines. Rate wars became rampant, each carrier trying to underbid the other, with little regard for cost considerations. Thus it was reported that, in the late 1860's, cattle were moved from Buffalo to New York City for $1 per car, and the first-class rate for shipments from Chicago to New York City varied between 25 cents and $2.15 per 100 pounds. Now and then attempts were made by the carriers to reach agreements to stabilize the rates, but, human nature being as it is under our good, old American system, such agreements were of very short duration.

The individual States attempted to regulate the railroads beginning about 1870 through the establishment of State regulatory commissions. This was particularly true in the Midwest, where the granger movement was strong. However, State regulation proved to be unsatisfactory, and in 1886 such regulation was dealt a deathblow by the decision of the U.S. Supreme Court in the case of *Wabash, St. Louis and Pacific Railway Company* v. *Illinois* (118 U.S. 557). In this case the Court held that the regulation of interstate commerce from the beginning to the end of the shipment was exclusively confided to the Congress. Since approximately three-fourths of the railway tonnage, at that time, was interstate in character, the effect of this decision was to leave unregulated the great bulk of railway traffic.

Bills to regulate the railroads began to appear in the Congress as early as 1868, and, by 1886, some 150 such measures were introduced in the House and the Senate. At the time of the Wabash decision, great progress had been made in both Houses of the Congress toward the passage of regulatory legislation.

In fact, both the House and the Senate had passed independent bills to achieve this purpose, and the bills were in conference at the time of this decision. The effect of the decision was to stimulate the conference committees into further action, and they agreed upon a bill early in 1887 which became "an act to regulate commerce," pursuant to which the Interstate Commerce Commission was created.

In the very limited time available I cannot, of course, discuss the details of this act, or any of the subsequent amendments to it. I would, however, like to point out that approximately 1,200 railroad companies with 135,000 miles of track, and an investment in road and equipment of $7¼ billion became subject to regulation under this law in 1887.

Today the Interstate Commerce Commission regulates not only railroads but also water carriers, oil pipelines, motor carriers of passengers, and property, and freight forwarders. The total gross investment of these carriers (including private car lines) is $46½ billion, and the net investment is $33⅓ billion.

The character of the problems facing the transportation carriers, subject to the Commission's jurisdiction, are radically different today from the situation which prevailed 75 years ago. At that time the railroads reigned supreme. They had a virtual monopoly of intercity transportation of freight and passengers. Today their monopolistic position has disappeared. They have to compete with the trucks, water carriers, pipelines, and freight forwarders for freight business; they have to compete with the private automobile, buses, and the airlines for passenger business. The competition is very keen. The Congress, the Commission, and the other departments of the Federal Government are keenly aware of this situation, and we are all continuously striving to help toward developing a sound and efficient transportation system to serve the public.

For any successful and worthwhile venture, someone with vision, ability, determination, character, and integrity must inevitably be responsible.

I think it therefore appropriate to make some reference here to the great men who

made the Interstate Commerce Commission, throughout the years of its existence, one of the most respected agencies of the Federal Government—the Commissioners, themselves, and their excellent staff.

In regulating the basic transportation agencies of this country, the Commission has exercised tremendous power over industry and commerce, and has, directly or indirectly, affected the lives of every one of us. It has become a vital factor in our national lives.

By and large, the Commission has done an excellent job throughout the years. It was a pioneer in the field of rate and service regulation and administrative procedure. The high degree of public confidence in the Commission was achieved through hard work and excellent administration of the laws delegated to it by the Congress. One of the principal reasons for this achievement is the excellent choice of appointments to the Commission, both at the Commissioner level and the staff level. Many Commissioners have been reappointed after their first term in office, and this continuity of tenure is exceedingly good policy, because in the highly complex field of rate and service regulation, there is no substitute for experience.

Many men of great ability have served on the Commission. I would like to mention just a few, limiting myself to the deceased members only. As examples of the high type of men who contributed so much to so many, there were Thomas M. Cooley—the first Chairman—Charles A. Prouty, Balthazar H. Meyer, Clyde B. Aitchinson, and Joseph B. Eastman. These are the men who provided the fundamental interpretation of the laws, provided the leadership and direction in this difficult task. These are the men who had broad vision and experience. Their names will always be remembered in the annals of the Commission, and the transportation industry.

Commerce is the lifeblood of this Nation. It is the sinews which have kept our States together since the early days of our Republic, and have made us great. It has provided the strength and the sustenance to build our Nation to become the most powerful nation on earth.

The congressional delegation of authority to the Commission, to regulate a highly significant portion of this commerce, presents the Commission with both an opportunity and a challenge to administer the laws with justice, and wisdom, and courage, so as to best serve the public. I have every confidence that the Commission will continue to measure up to this opportunity and challenge, as it has done in the past.

I thank you.

REIMBURSEMENT OF EXTRAORDINARY EXPENSES TO THE CITY OF NEW YORK

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 575 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4441) to authorize the appropriation of $3,063,500 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the Fifteenth General Assembly of the United Nations. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Foreign Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield 30 minutes to the gentlewoman from New York [Mrs. ST. GEORGE], and I yield myself such time as I may consume.

Mr. Speaker, this resolution provides for consideration of H.R. 4441. This is to compensate New York City policemen for the extraordinary duties that they performed during the 15th General Assembly at the time Khrushchev and 16 other dignitaries of foreign states came, without notice, to attend a session of the United Nations. Constant and careful consideration was carried out by the State Department and the Police Department of the city of New York. Many of the foreign dignitaries came on short notice. They were not the official guests of the U.S. Government with planned itineraries and programs. They came and went from their residences or offices without prior notice to the police authorities. This presented an especially difficult and delicate assignment, which was handled very well by the police department.

Mr. Speaker, the government of the city of New York provided protection 24 hours a day for a period of 30 days. The amount involved, which is straight overtime, is $3,063,500. Certainly, there is a moral obligation to reimburse the city of New York for these expenses. We realize that this should not happen again, and I want the House to know that this shall not constitute a precedent.

Mr. Speaker, the resolution provides for 1 hour of general debate and an open rule. I know of no objection to the rule and I therefore urge its adoption.

Mrs. ST. GEORGE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4441 comes to us under an open rule and 1 hour of general debate. This measure will pay to the city of New York $3,063,500.

Mr. Speaker, the only question that seems to arise is whether this amount is too great or too small. In the first place, there are several bills pending which would provide for the payment of $4,404,000. There is also a bill pending which would provide for the payment of $1.5 million. So it would seem to me, as we look over the figures, that this bill is what everyone seeks to do as far as I can see, and that is follow a middle of the road course.

Mr. Speaker, a great many people I know are going to deplore having to pay this money to the city of New York. But it seems only just, Mr. Speaker, that this should be done. The U.N. is located in New York City. Whether we think it should be there or not, frankly, has nothing at all to do with the price of eggs. Whether the New York City Police Department should be charged with the care and protection of these people, these VIP's, if you please, who come from other countries, and who are in many cases not desired at all as guests of the city of New York, is another question that we are simply not here to discuss. They come here, first of all, at their own desire and insistence. It seems that if they are the guests of anyone, they must be considered, in part, at least, guests of the Federal Government. It is the Federal Government that must issue the visas. It is the Federal Government that is in charge of their coming.

Mr. Speaker, the New York City police force acquitted itself magnificently. Everyone is agreed on that. The New York City police ran great danger, did a great deal of overtime work and, on the whole, it was a rather thankless task. Mr. Speaker, I attended some of the sessions and I can assure you that the people in general were not very sympathetic to such guests as Mr. Khrushchev and Mr. Castro. Only the other day I saw in one of the papers that Mr. Castro intends to come again, if you please, to New York City and I suppose he will come if he so desires and we will be put to this same inconvenience, to use a very moderate term.

These foreign representatives are here as guests of the U.N., not even of the United States. And this is just a thought, Mr. Speaker; maybe the U.N. should have its own police force paid for on a pro rata basis. But that is something we cannot take into consideration in this bill. Here we are paying for services that have been rendered and they have been well rendered.

Of course, the idea of the U.N. paying for police protection or paying, for that matter, for anything else, is like trying to cure a cold in an icebox. I do not think we can look forward to that.

I was very glad to hear my colleague from New York [Mr. DELANEY] say that he hoped and believed this would not be a recurring charge. I think it is something that the Congress ought to take under consideration with the utmost care. These situations are going to arise again, Mr. Speaker. In a year or two we will be faced with a problem of this nature again and I am not at all sure that this is the proper way to cope with it. Maybe some other form of legislation can be devised. Maybe something can be done on a fairer basis. But there is no question in my mind at least—and I am not prejudiced; I do not live in the city of New York nor do I vote there—that the city of New York is owed this money and largely owed it by the Federal Government.

Mr. DELANEY. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

Mrs. KELLY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4441) to authorize the appropriation of $3,063,500 as an ex

gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4441 with Mr. WILLIS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mrs. KELLY. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, I ask unanimous consent to insert at this point in the RECORD a statement. I feel that I would prefer answering the questions which I anticipate.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mrs. KELLY. Mr. Chairman, I also ask unanimous consent that all Members be permitted to insert in the body of the RECORD prior to the vote statements relating to the bill H.R. 4441.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mrs. KELLY. Mr. Chairman, I want to thank the Committee on Foreign Affairs and the Committee on Rules for clearing H.R. 4441, which would reimburse the city of New York, by way of an ex gratia payment, in the sum of $3,063,000, for extraordinary expenses incurred in rendering police protection during the 15th General Assembly of the United Nations.

The bill which is before the House was introduced by me on February 16, 1961. Public hearings covering 62 printed pages were held on May 17, 1961, by the Subcommittee on International Organizations and Movements of the Committee on Foreign Affairs. The subcommittee recommended favorable action and on August 23, 1961, the Committee on Foreign Affairs reported H.R. 4441 in House Report 1020. At the time of the committee hearings six similar bills calling for varying authorizations were considered. I believe that H.R. 4441 was reported by the committee due to the fact that the authorization which it carries is the exact amount of moneys which was expended by New York City.

BACKGROUND TO H.R. 4441

Looking back to September and October 1960, we will recall the fear engendered when it was announced that Khrushchev, Tito, Gomulka, Castro, Kadar, Nasser, and 10 other heads of state, not to mention their entourages, would personally attend the 15th General Assembly of the United Nations. We would do well to recall that the U–2 and RB–47 incidents had occurred shortly before the arrival of these national representatives to the U.N. session. In addition, these leaders of the Communist empire continued to make false condemnations against the United States and our allies. To say the least, the tempers of many groups in the United States, and particularly New York City, were extremely short.

The physical safety and well-being of these heads of state, while in New York attending the 15th General Assembly, were of paramount importance. Any situation endangering the lives of these individuals could have created an incident of dire proportions. The problem was then one of insuring the safety of these visitors. I am sure that the protection of these visitors was discussed and coordinated with all agencies of government—local, State, and Federal. I realize this cooperation played a major role in the success of the mission.

In considering this bill I hope that you will have in mind the excellent discharge of duty by the Police Department of the city of New York during this emergency. I hope you will also bear in mind that we all prayed that no incident would occur. I believe we would have been willing at that time to commit ourselves to the payment of a much greater amount to avoid an unfortunate incident. We now have the opportunity to assume our responsibility.

WHAT THE BILL COVERS

The unprecedented security problem created by the presence of these heads of state in New York City required the furnishing of complete protection to them, on a 24-hour basis during the 26 days involved. As a result 7,700 police officers were placed on special assignment during the emergency. This number of men constituted one-third of the entire department. The entire force gave up their days off and worked 60 hours per week instead of the normal 42 hours.

A typical example of the protection given by the police department is that received by Fidel Castro when he arrived at Idlewild Airport. On his trip from the airport to the city, the New York Times reported that the caravan consisted of motorcycles and a car containing 3 officers with submachineguns in the lead, one police car on either side of Castro's car, a bus with 60 policemen to the rear and 4 patrolmen stationed at every overpass en route along the parkway. When he arrived at his hotel, 200 policemen were on guard.

All the difficulties which the police department faced were compounded by Castro's unexpected move from the Hotel Shelbourne to the Hotel Theresa and Khrushchev's unexpected visit to Castro at the Hotel Theresa. On these occasions, it was necessary to shift hundreds of men to new assignments on the shortest of notice.

In the past the police department has given its men extra days off to cover hours of extra duty. The tremendous number of extra days off which would have had to be granted to cover the extra time which the General Assembly session involved rendered this method impractical. To follow this method would have meant stripping the city of needed police protection for several months. It was thus decided that the men would be paid on a straight-time basis for the extra hours worked. These are the moneys which this bill would reimburse to the city.

As the Honorable Robert F. Wagner, mayor of the city of New York, said in his testimony at page 7 of the hearings:

> Remember, this was no meeting behind the barricades of Yalta, or in the desert atmosphere of Casablanca, or the military security of Potsdam. This was a meeting of world leaders for peace, and world troublemakers, in the melting pot of New York where every nation represented by a troublemaker had, in New York, at least hundreds of his fellow citizens whom he or his government had persecuted and driven into exile.
>
> As mayor of the city, I knew these men who put in these 1 million hours of overtime deserved at least some financial compensation, the only thing we could give them apart from a vote of thanks.

In addition to the mayor, Hon. Abraham D. Beame, the then budget director of the city of New York and now the comptroller of the city of New York, Michael G. Birmingham, chief of staff of the police department, city of New York, and four of our distinguished colleagues, Hon. Kenneth B. Keating, Hon. James J. Delaney, Hon. Seymour B. Halpern, Hon. John V. Lindsay, and Hon. William Fitts Ryan gave testimony at the hearings. The Executive, both under the previous administration and the present, has endorsed this legislation to the extent of $1,500,000. Apparently, the Executive and the Department of State are of the opinion that some dangerous precedent would be created if the Federal Government met the entire expense—while no such precedent would be created if only a partial reimbursement were made. As indicated at pages 52 and 54 of the hearings minutes the committee could not accept such viewpoint, nor can I as sponsor of this legislation.

AMOUNT OF AUTHORIZATION

As I have pointed out, the authorization requested covers the exact out-of-pocket expenses incurred by the city of New York on a straight-time basis. At pages 35 to 47 of the hearings there is inserted the duty assignments and accounting methods utilized by the police department in arriving at the authorization figure.

LEGAL ASPECTS

Pursuant to agreement dated June 26, 1947, between the United Nations and the United States of America regarding the headquarters of the United Nations—incorporated in Public Law 357, 80th Congress, 1st session; 22 U.S.C. 287—the appropriate American authorities are required to furnish police protection in the area surrounding the headquarters district and to delegates of the United Nations. The agreement provides in section 1, subdivision b:

> The appropriate American authorities means the Federal, State, or local authorities in the United States as may be appropriate in the context and in accordance with the laws and customs of the United States, including the laws and customs of the State and local government involved.

Pursuant to the decision in *People* v. *Carcel* (150 New York Supp. 2d, 436), the Police Department of the City of New

York is an appropriate American authority. The agreement further provides at section 11:

The Federal, State, or local authorities of the United States shall not impose any impediments to transit to or from the headquarters district of (1) representatives of members or officials of the United Nations. * * * The appropriate American authorities shall afford any necessary protection to such persons while in transit to or from the headquarters district.

The agreement continues at section 16:

(a) The appropriate authority shall exercise due diligence to insure that the tranquillity of the headquarters district is not disturbed by the unauthorized entry of groups of persons from outside or by disturbances in the immediate vicinity and shall cause to be provided on the boundaries of the headquarters district such police protection as is required for these purposes.

It is thus apparent that the Police Department of the city of New York had at least a moral obligation to furnish the protection involved. The question becomes one of what organ of government has the ultimate responsibility for the furnishing of this protection and the resulting obligation to pay the expenses thereof.

Section 25 of the agreement provides:

Wherever this agreement imposes obligations on the appropriate American authorities, the Government of the United States shall have the ultimate responsibility for the fulfillment of such obligations by the appropriate American authorities.

From a reading of section 25, it would appear that the Federal Government has the primary obligation to furnish protection to the United Nations and the delegates. From a practical viewpoint, it must be realized that the U.S. Government is not equipped to render such services. Therefore, it is not illogical to take the position that the city of New York was in fact acting as an agent or on behalf of the U.S. Government in rendering the extraordinary police protection required. Under such circumstances, there would be a strong moral obligation on the part of the U.S. Government to reimburse the city for the expenses incurred.

At the hearings there arose the question of financial benefit to New York City as a result of the presence of the headquarters of the United Nations. The statistics concerning the question are at pages 23 to 26 of the hearing minutes. Analysis indicates that the city of New York contributed $25,806,300 toward the building of the United Nations headquarters. The United States contributed an interest-free loan of $65 million. The interest cost on this loan is about $28 million. Thus the city of New York paid almost as much for the establishment of the U.N. headquarters as did the U.S. Government.

The annual costs to the city of New York are $3,439,300 in loss of real estate taxes and $1 million for policing. The estimated increase in revenues as a result of the presence of the U.N. is approximately $900,000 per year. Thus it costs the city of New York some $35 million each year as a result of the presence of the U.N. In addition to the figures cited there is a substantial yearly real estate tax loss on the real estate owned by the member nations for the use of their delegations.

Finally, I wish to point out that ever since the establishment of the headquarters of the United Nations at New York City, the police department has furnished additional protection to the headquarters district, foreign delegates, and the buildings occupied by foreign delegations. All of these services have been rendered on a day-to-day basis without compensation and will continue to be furnished in the future.

The motivating factor behind the bill before the House is that the services rendered in connection with the 15th General Assembly were unusual and extraordinary in nature and as such should be paid for by the Federal Government. I respectfully urge that the House approve H.R. 4441 without amendment.

Mr. Chairman, I want to take this opportunity to thank the chairman of the Committee on Foreign Affairs [Mr. MORGAN] for permitting this bill to be brought to the floor. I also want to take this opportunity to thank the gentleman from Florida [Mr. FASCELL], the chairman of the subcommittee, for holding hearings and writing a very excellent report, and also putting together one of the most perfect hearings that makes available all the facts.

I should like to review briefly the circumstances at the time the General Assembly was held in New York. H.R. 4441 as reported authorizes a payment to the city of New York for expenses incurred by that city for police protection during the 15th Assembly. At that time Communist activities were being carried on against our Government and our civilization. At that time President Eisenhower had to cancel a trip to Japan because of Communist activities.

The General Assembly meets annually. The heads of 16 nations, as explained by the gentleman from New York [Mr. DELANEY] arrived in New York City with little advance notice. The State Department did the best it could to inform the city authorities when these people would arrive.

I do want to say that the city of New York organized itself into an operation for the security of these visitors. It set up plans whereby the entire police force of the city of New York was put on the alert. More than 22,500 city police were compelled to give up all vacations, all time off and work an average of 59 hours per week.

This bill reimburses the city for the extraordinary expenses incurred in providing the maximum security. I feel that I should explain to you how the sum of $3,063,500 was arrived at. This represents, Mr. Chairman, the actual cost paid by the city of New York to the police. Instead of their 5-day workweek they worked 7 days a week. This involved more than 22,500 men for 2 days extra each week for almost 4 weeks. Official police records show that the police put in slightly more than 1 million hours of overtime. At the rate of $3 an hour, this involved the payment of $3,008,500. To this $58,000 must be added for overtime paid to the transit police. The actual cost to the city was $3,063,500.

If one includes the cost of supporting equipment, added pension costs, and the like, the city paid out almost $6 million. The exceedingly large amount of overtime could not be paid by the usual method of compensating time. To do this would strip the city of essential protection for several months.

This bill is limited to the payment only to the actual outlay made by the city of New York for the overtime costs during the visits of the heads of state and the uninvited guests who came to attend the 15th Assembly.

Mr. ROSENTHAL. On page 9 of the hearings, Birmingham stated that the personnel cost was $4,805,000, yet, the bill requests only $3 million. What is the discrepancy there? I do not understand the discrepancy.

Mrs. KELLY. The discrepancy there comes about because the city of New York computed overtime at time and one-half but this bill is only asking for reimbursement at the regular rate of pay.

Mr. ALBERT. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from Oklahoma.

Mr. ALBERT. From what the gentlewoman from New York has said it would appear that the request is about as modest as it could be under the circumstances. It would seem to me to be unthinkable that this expense should be borne by the city of New York alone and not by the entire country. I, for one, certainly want to express my support for the bill sponsored by the gentlewoman from New York.

Mrs. KELLY. I thank the gentleman from Oklahoma. He is always so just.

Mr. Chairman, there are two further questions which I wish to discuss before yielding to my colleagues. In the hearings there is a very excellent breakdown of the entire operation on page 35. On page 41 there is an explanation of the number of man-hours involved, which point I have already touched upon.

Mr. Chairman, I would like to bring up the reason why New York City bears this expense. On page 15 of the hearings the fact is brought out that the city of New York has assumed the obligation to protect those who come to the United Nations. This is in pursuance of an agreement made by the Federal Government at the time of the establishment of the United Nations. This agreement mentions that the appropriate authorities shall exercise due diligence to insure the tranquillity of the headquarters of the United Nations. The appropriate authorities in this case refer to the city of New York. This is the key to the responsibility of the city of New York.

On page 54 of the hearings, there is this testimony which I call to the attention of my colleagues:

Mr. JUDD said this:

We entered into an agreement that gives us ultimate responsibility for providing protection and if the city of New York for whatever reason doesn't or can't do that, the United States has to do it.

I think we would have to send in the Marines; that is all there is to it. So that strengthens their case in my opinion, because they did do the job, we didn't have to do it. Had they not done it, we would have had to.

To which Mr. FARBSTEIN said: "That is correct."

So, Mr. Chairman, I think since we in New York had this unusual experience, it is only fair that the Federal Government reimburse the city of New York for that amount.

I have already discussed the difference between the amount of $4.8 million mentioned by the gentleman from New York and the amount in my bill.

Some confusion as to the exact amount has undoubtedly arisen from a preliminary report of costs made to President Eisenhower immediately after the month of these visits. I cannot establish whether this breakdown of costs was solicited or gratuitously furnished. In this report that I submit for the RECORD, Mr. Chairman, the amount mentioned at that time was slightly less than $5 million, although they also brought out the $6 million plus. But the reason for the discrepancy is that all the bills were not in at that time. I submit this for the RECORD.

(The matter referred to follows:)

THE POLICE COMMISSIONER,
City of New York, October 31, 1960.

Hon. DWIGHT D. EISENHOWER,
President of the United States,
The White House, Washington, D.C.

DEAR MR. PRESIDENT: Knowing your interest in the problems faced by the police department during the current session of the United Nations General Assembly, I am taking the liberty of reporting to you on the cost of our operations during the emergency period from September 19, 1960, to October 14, 1960.

As you know, this department bore the primary responsibility for providing security at the United Nations area itself, guarding the many foreign chiefs of delegations in their residences and in their travels throughout the city, and in regulating the crowds, demonstrations and other unusual occurrences directly inspired by the presence in the city of these critical security risks.

A complete report rendered to me today indicates a total cost to the city as follows: $6,364,000, if the overtime compensation is computed on the basis of time-and-a-half rates; $4,896,000, if overtime compensation is computed on the basis of regular salary rates.

These total sums consist of two main categories:

First, the amount attributable to compensation for overtime: $4,404,000 at time-and-a-half rates, or $2,936,000 at regular rates.

Second, the cost of equipment and personnel transferred, in the main, from regular police duties to special details relating directly to the United Nations General Assembly, and the cost of personnel whose normal vacations were suspended until after the emergency period, amounting in the aggregate to $1,960,000.

With respect to the first category, it should be pointed out that during the emergency special duty hours were in effect, requiring all members of the force to perform duties greatly in excess of the normal 42-hour week.

With regard to the second main category of $1,960,000, only a small portion of these costs were extra costs in the sense that they would not have been otherwise incurred; however, the equipment and personnel represented by these costs were diverted from their standard function of police protection throughout the city to the special function of protecting the United Nations and the individual security risks who were attending the General Assembly.

To recapitulate:

	At time-and-a-half rates	At regular rates
Overtime	$4,404,000	$2,936,000
Services and equipment:		
Cost of equipment	91,000	
Cost of personnel diverted from regular duties	1,204,000	
Cost of suspended vacations	665,000	
	1,960,000	1,960,000
Total cost	6,364,000	4,896,000

I should like to draw your particular attention to the funds necessary to provide compensation for overtime hours of duty. Under consideration both of law and of good conscience, it is imperative that the members of the force be compensated for their overtime duty by financial means. In fairness to the people of the city it would not be proper to grant compensation by means of days off. The magnitude of the necessary vacations would strip the city of necessary police protection for months to come, thus seriously jeopardizing the safety of the community.

Please be assured that I deeply appreciate your interest in securing reimbursement for the city and compensation for the individual members of the force for their impressive services on an overtime schedule.

If any further information is desired, I, of course, am ready to provide it any time.

Faithfully yours,
STEPHEN P. KENNEDY,
Police Commissioner.

(This letter sent to: President Eisenhower; Hon. John J. Rooney, U.S. Congressman, Washington, D.C.; Hon. Christian Herter, Secretary of State, Washington, D.C.; Mr. James Hagerty, press secretary to President Eisenhower, Washington, D.C.; Mr. John W. Hanes, Jr., Administrator, Bureau of Security and Consular Affairs, U.S. State Department, Washington, D.C.; Senator Jacob Javits, Washington, D.C.; Senator Kenneth B. Keating, Washington, D.C.; Senator Mike Mansfield, Washington, D.C.; Mayor Robert Wagner, New York City.)

Mrs. KELLY. Mr. Chairman, I also wish to submit a letter from the then director of the budget of the city of New York in the amount of $3,063,500 for straight time only. He states that he believes this cost is the correct amount that should be reimbursed.

(The matter referred to follows:)

CITY OF NEW YORK,
BUREAU OF THE BUDGET,
New York, N.Y., January 23, 1961.

Hon. EDNA F. KELLY,
House Office Building,
House of Representatives, Washington, D.C.

DEAR EDNA: Pursuant to our telephone conversation relative to the added costs of police services during the sessions of the General Assembly of the United Nations from September 19, 1960, to October 14, 1960, please be advised that the city has paid the uniformed forces for overtime incurred at the rate of straight time only, a total of $3,063,500. We believe that this cost is properly one for which the city should be fully reimbursed by the Federal Government since it was due to the necessary security coverage required for the foreign emissaries during this period.

I might note that the police department had worked up figures which not only included the foregoing cost but other costs incidential thereto aggregating a total of $4,896,000.

I hope that the foregoing information will serve your purpose.

Sincerely,
ABE BEAME.

Mrs. KELLY. When the new administration—the Kennedy administration—came in, they endorsed the proposed payment of $1,500,000 to the city of New York by the Federal Government that had previously been proposed by the Eisenhower administration. I was in communication with the White House, and from the Special Assistant to the President, Mr. Lawrence F. O'Brien, I received a letter, the last paragraph of which reads as follows:

The administration's views on this matter will be communicated by the Bureau of the Budget in the near future and will reflect agreement with the principle of an ex gratia payment to compensate the city of New York for part of the additional expenses. The amount of the payment ultimately authorized and appropriated rests, of course, with the Congress.

Mr. Chairman, because of my feeling that the full amount is due the city of New York, in simple justice I hope you will consider that the Federal Government has a responsibility in sharing the cost.

I now yield to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Can the gentlewoman from New York tell the House whether any effort has been made to collect part or all of this amount from the United Nations?

Mrs. KELLY. To my knowledge this has not been attempted. However, we in the United States assumed that responsibility. I feel this share ought to be paid by the Federal Government. We hope that such unusual circumstances as caused this extraordinary expense will not happen again.

Mr. MERROW. Mr. Chairman, I yield myself 3 minutes.

Mr. Chairman, the 15th session of the United Nations General Assembly which began in September 1960 is now remembered by most of us as the occasion when Premier Nikita S. Khrushchev of the Soviet Union banged the table with his shoe.

The fact that we remember this session for that reason and not because of a serious incident with major international repercussions is due to the skill and competence of the New York Police Department. In the early days of the session there were 10 heads of government with their entourages in New York. Included in this number in addition to Khrushchev were Castro and Janos Kadar, Minister of State from Hungary.

This was a period in which there were demonstrations against these and other foreign dignitaries whom many people dislike.

It was necessary to provide protection for visiting dignitaries not only in the vicinity of the United Nations itself, but at their places of residence in various parts of Manhattan Island as well as during their travels through the streets of New York City. The New York police force took this matter in its stride. The people of the United States

accepted the performance of the New York City police as a matter of course without any realization of the magnitude and difficulty of the task which had to be performed.

Except for those directly concerned, no one realized that in order to do the job which had to be done, the entire New York police force worked a 7-day week for a period of 26 days, from September 19 to October 14, 1960. The normal week for a New York policeman is 5 days. The city of New York paid in cash for this overtime at the regular hourly rate with no time and a half or other overtime premium of any kind. Normally overtime service by the police force is compensated in extra time off. It was impossible to handle this situation in the customary manner because of the large number of men involved. If compensatory leave had been granted, the number of policemen on duty would have so diminished as to endanger the safety of the city.

This expenditure for overtime pay for the police force amounted to $3,063,500. The calculation is based on detailed records kept by the New York Police Department and submitted to the Committee on Foreign Affairs and included in the printed hearings.

The emergency situation which confronted the New York police force in September 1960 had not been anticipated and there was no provision for the extra expense in the city budget. The city of New York has requested the Federal Government to share this financial burden. The $3 million provided in this bill does not represent the total cost of policing the United Nations. The city of New York does not request that the Federal Government assume all of the cost which it has to bear in order to provide protection to the United Nations. The city maintains that it was confronted with an unprecedented and unanticipated problem, that this situation arose because of international developments, and that its satisfactory handling was important to the foreign relations of the United States.

The legal obligations of the United States for providing necessary protection to persons while in transit to or from the Headquarters District in New York City are summarized in the committee report on page 3 and are discussed in considerable detail in the printed hearings. The Committee on Foreign Affairs has not attempted to arrive at a conclusion with respect to the legal issues involved. It would appear to the committee, however, to be only fair and reasonable that the Federal Government should share in the extra financial burden which circumstances entirely beyond the control of the New York City authorities forced upon the New York police force.

The Government and the people of the United States are indebted to the city of New York for the excellent job which was done in protecting the foreign visitors during this critical period. The city government acted promptly and effectively, and did everything that was necessary. No questions were asked as to where the money was coming from. The city government went ahead and did the job. It seems only fair that the Federal Government recognize the value of the service which was performed and share in the cost.

I urge the approval of this bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Iowa.

Mr. GROSS. Can the gentleman tell us how many people the State Department has in its security force?

Mr. MERROW. I cannot give the exact figure but I am sure they have other duties than giving police protection on the streets of New York City.

Mr. GROSS. As I understand it, the State Department has a security force larger than the Secret Service of the United States. Were these people on the job in New York City?

Mr. MERROW. I believe they were probably busy with their normal duties and it was necessary to have this additional work done by the police force of New York City.

Mr. GROSS. Ethiopia has one of the largest contingents in the United Nations Police Force. Would the gentleman agree that Ethiopia might be invited to bring its troops over, that we are paying for anyway, the next time and police the city of New York if the city of New York is not capable of doing it?

Mr. MERROW. The U.N. is in New York, and New York is capable of providing adequate police protection.

Mr. GROSS. How about the United Nations paying the bill to the city of New York?

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentlewoman from New York.

Mrs. KELLY. I should like to say in response to the question, that the sovereignty of the city of New York is involved in this problem. We can take care of anyone who comes to New York. This, however, involved an added burden of extraordinary proportions to the city. Outside the United Nations the city of New York is responsible.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from New York.

Mr. LINDSAY. The question asked by the distinguished gentleman from Iowa carries with it the implication, and he is suggesting, that there be a Federal police force, which would be objectionable to many of us. To suggest that the State Department have a statutory Federal police force used to police a situation of this kind would be dangerous and an unwarranted interference with State and local obligations.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from Michigan.

Mr. JOHANSEN. I want to comment upon a remark made by the gentlewoman from New York, if I might have her attention. I understood the gentlewoman to say that the responsibility basically for policing outside of the property of the United Nations rests with the city of New York.

Mrs. KELLY. That is correct.

Mr. JOHANSEN. I respectfully direct the attention of the gentlewoman to the provision in Public Law 357, which says:

> Wherever this agreement imposes obligations on the appropriate American authority—

In this case I assume you regard New York City as one of those appropriate authorities—

> the Government of the United States shall have the ultimate responsibility for the fulfillment of such obligation.

Mrs. KELLY. This is the agreement that you are quoting from made between the United States and the United Nations. The appropriate American authorities in section 25 of the agreement is the Government of the United States but I call the gentleman's attention to section 1(b) of that same agreement which defines "appropriate American authorities" in another context.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. MERROW. I yield to the gentleman from New York.

Mr. ROONEY. Mr. Chairman, I rise to compliment the distinguished gentleman from New Hampshire [Mr. MERROW] upon his forthright statement here today in support of the pending bill authorizing the reimbursement of the $3,063,500 to the city of New York.

Mr. MERROW. I thank the gentleman.

Mr. DOOLEY. Mr. Chairman, will the gentleman yield?

Mr. MERROW. I yield to the gentleman from New York.

Mr. DOOLEY. Mr. Chairman, I rise in support of this bill, H.R. 4441. I wish to say that I think it is most equitable and fair that we recognize our obligation to New York City. It was an unusual situation, a real emergency, which the police of the city of New York played an important role in; 22,000 men were called out in a period of a week, and they did a wonderful job.

Mr. MERROW. Mr. Chairman, I yield 7 minutes to the gentleman from New York [Mr. FINO].

Mr. FINO. Mr. Chairman, in 1960, during the 15th General Assembly of the United Nations, the municipal authorities of the city of New York shouldered an unprecedented and highly dangerous responsibility: that of protecting the heads of state and other leaders of a great number of countries who had come to participate in the general debate of the Assembly. Among these leaders were distinguished figures, but several were Communists, or dictators of other kinds, hated by many American citizens, including thousands of New York refugees, because of their tyranny and ruthless disregard for human life and human rights.

This responsibility went far beyond the ordinary duties of a city government and a city police force, for it involved protecting the honor, and indeed the vital interests, of the United States itself.

Many of us, I know, viewed the arrival of these heads of totalitarian countries with apprehension and dismay, re-

calling only too well that it took only one well-aimed assassin's bullet to trigger World War I. It is no exaggeration to say that a historical accident of the same kind in New York, in the fall of 1960, might well have had the same effect.

That such an accident did not occur may have been due to the well-organized, competent, and extraordinarily effective work of the New York City authorities, and particularly to the exhaustive labor of its police department. With little advance warning, the police department mobilized all of its resources to make doubly sure that those attending the U.N. General Assembly, friend and foe alike, should have ample personal protection. To do this, it canceled leaves, extended hours, assigned extra duties. During the emergency period a large percentage of the entire police force was engaged in United Nations-related duties.

When the United Nations was founded 17 years ago, the Congress adopted a unanimous resolution inviting the organization to locate its headquarters in this country. Among the various regions in the United States vying for the honor of being host to the United Nations, New York was chosen because of its cosmopolitan character and its many attractions and conveniences.

New York is honored to have United Nations headquarters located within its boundaries. But more than this, the people of the United States are, I am sure, honored to have the United Nations located within their country. I can safely say that the citizens of New York have welcomed and welcome the establishment of the United Nations on the East River and I am sure that the people of the United States are proud that New York has, in a way, become a world capital, to which national leaders from all over this globe must come to transact important business.

The city of New York has done much to facilitate the work of the United Nations and mutually satisfactory relations have been established between this international entity and the city authorities. New York, I can say with conviction, has fulfilled its duties.

But the Federal Government also has duties toward the United Nations. The President and Senate approved the United Nations Charter. The Congress adopted the United Nations Participation Act and approved a headquarters agreement with the United Nations. The Congress invited the United Nations to locate in the United States.

The people of the United States as a whole have a duty as hosts to the United Nations.

Justice and equity dictate that the city of New York should not be expected to bear alone the relatively heavy financial drain attendant upon policing such highly charged meetings as that of the last U.N. General Assembly. The citizens and municipal authorities of New York City do not shirk their part of the responsibility; but it is not their responsibility alone. Rightly, it is a shared responsibility, it is a responsibility of the Nation. For it is the Nation which would bear the consequences of any failure to meet obligations which the Nation incurred in housing the United Nations.

I, therefore, strongly urge the Members of this House to support H.R. 4441 and give the city of New York the moneys that it actually laid out to carry on this work in protecting these dignitaries and characters who came to this country.

I urge that this bill be given serious consideration, because if this bill is not passed, if reimbursement is not made to the city of New York, I do not know what the attitude of the city will be at a next meeting. They could very well turn around and say to the State Department and to the Congress, "These are your visitors, you assume the responsibility; you take care of them."

Mrs. KELLY. Mr. Chairman, I yield such time as he may consume to the Chairman of the Foreign Affairs Committee, the gentleman from Pennsylvania [Mr. MORGAN].

Mr. MORGAN. Mr. Chairman, I rise in support of H.R. 4441, to authorize the appropriation of $3,063,500 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations.

All of us remember that in September and October 1960, during the 15th General Assembly of the United Nations, an unprecedented situation developed in New York City. The heads of many of the world's largest nations were present in New York in connection with the meeting of the General Assembly. Among those present were Premier Nikita S. Khrushchev of the U.S.S.R.; Fidel Castro, Prime Minister of Cuba; Janos Kadar, Minister of State of Hungary; and others who were not personally popular in the United States.

In order to provide police protection for the more than 10 heads of state and their entourages during the 26-day period from September 19 to October 14, 1960, 22,000 men of the New York Police Department went on a 7-day week instead of following their normal 5-day week schedule. The city of New York has paid these policemen for their overtime at their regular hourly rate of compensation. There was no premium for overtime such as time and a half.

This bill authorizes the payment of $3,063,500, the amount of money paid to New York policemen for their overtime service.

The normal practice in New York City is to compensate the police force for overtime by allowing equivalent time off. Considering the large number of men and the length of time involved, this procedure was considered to be impracticable. In this case it would have been necessary to have so many policemen on leave that the protection of the city might have been endangered.

The New York City Police Department had had no reason to prepare in advance for the situation with which it was confronted in September 1960, and had made no provision in its budget to finance an operation of this magnitude. They met the situation in a praiseworthy manner and did the job that had to be done for which they deserve the congratulations of the entire Nation.

The city of New York has requested that the Federal Government share the extraordinary expenses which it incurred in providing this very important protection to the heads of state visiting the United Nations; and after considering various recommendations and proposals as to the amount which the Federal Government should contribute, the Committee on Foreign Affairs recommends the sum of $3,063,500, which is the amount actually paid to members of the police force for overtime.

This is not the total cost to the city of New York for providing police protection to the United Nations. Detailed records were kept by the New York police of their operations and expenditures which are set forth in the published record of the committee hearings on the bill. The city has requested and the committee recommends that only part of the cost of providing police protection to the United Nations should be contributed by the Federal Government, and I think all of us recognize that the provision of such police protection should be primarily the responsibility of the city of New York.

All this bill does is to authorize a payment to meet this special situation. It does not deal with the sharing of responsibility for police protection to the United Nations in the State.

The city of New York had to meet an extraordinary situation for which its budget did not provide. The New York City police force met its responsibility in a commendable manner which contributed to the successful conduct of U.S. foreign relations. I believe that the Federal Government should come to the aid of the city of New York in this instance and I urge the approval of this bill.

Mrs. ST. GEORGE. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. ZELENKO].

Mr. ZELENKO. Mr. Chairman, I rise in support of H.R. 4441, a bill introduced by my colleague, the Honorable EDNA F. KELLY, to authorize the appropriation of $3,063,500 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations.

All of us recall that an extremely large number of chiefs of state and heads of government were in attendance at this Assembly. Their presence provoked demonstrations that made it necessary to mobilize the New York police on a round-the-clock basis for several weeks. In order to accord these visitors the necessary protection, the New York police force put in many hours of overtime to perform this needed service.

The police were placed into duty by circumstances outside the control of the city authorities. Many of the heads of government were considered hostile by many groups of the citizens of the United States, particularly Khrushchev, Castro and several others. Under the agreement between the United Nations and the United States, the Federal Government has the ultimate responsibility for

protecting the United Nations Headquarters District and its vicinity. We are, thus, indebted to the city of New York for its unexcelled management in avoiding any untoward incident.

The exemplary service of New York's Finest has been recognized in congratulatory messages from the President of the United States, the Secretary of State of the United States, the Secretary General of the United Nations and many other tributes from individual nations. It is quite proper that their service be recognized financially as well.

It should be remembered that the slightest laxity on the part of New York's policing activity could have led to a major international incident and catastrophe. The value of their service cannot be measured in money alone. Should any harm have befallen any of these heads of states, we could be in a useless war today.

It should be noted, also, that in many other nations throughout the world, this service is generally and customarily performed by the armed forces of that nation.

What is being sought here is not profit, but rather deserved reimbursement. It is my pleasure at this time, Mr. Chairman, to commend the police of New York City who performed so ably under the great leadership of Mayor Robert F. Wagner and I urge my colleagues that logic and justice dictate speedy enactment of Congresswoman KELLY's bill, H.R. 4441, to reimburse the city of New York for the extraordinary, unprecedented expenses incurred in a most sensitive task on behalf of our Nation.

Further, Mr. Chairman, I call the attention of this Committee to Public Law 357 of the 80th Congress. I tell this Committee that the question is not whether we are obligated to pay this sum to the city of New York, but whether the sum is an accurate one.

Mr. Chairman, under section 25 of Public Law 357 this Government is obligated to furnish protection to the United Nations and to the delegates of the United Nations. This Government sought the assistance of the city of New York. The city of New York thereupon became an agent of this Government, in this instance, to furnish this protection. Therefore, the question is not whether we are obligated, but for how much. The sole question is whether the sum requested is a fair one. There being no dispute as to the sum requested under this bill, I submit, therefore, Mr. Chairman, that there is no question before this House except to pass this legislation.

I compliment the Honorable EDNA KELLY of New York for introducing this legislation and urge its passage.

Mr. MERROW. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. HALPERN].

Mr. HALPERN. Mr. Chairman, I rise in enthusiastic support of this bill and I am pleased to associate myself with the distinguished gentlewoman from New York [Mrs. KELLY] in the advocacy of this legislation. This is a good bill; it is a fair bill. This is not merely a matter of reimbursing the city of New York for its extraordinary expenses in connection with the historic U.N. General Assembly meeting in the fall of 1960, but it also serves as direct recognition to the gallant policemen themselves for their admirable work in providing protection and maintaining public order during that sensitive and hectic period.

In principle, I believe there can be no serious opposition to the general proposition that the United States should make some ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses during that tense month when Khrushchev was banging his shoe on the table and Castro was plucking chickens in respectable hotels. The protection of these unruly guests required skilled and continuing police protection and this was provided with exemplary skill by my city's "finest."

The U.S. Budget Bureau heretofore has stated that it had no objection to approving a $1.5 million reimbursement which would cover some of the city's direct expenses.

But this is hardly enough in view of the tremendous cost incurred in this vast security operation. Actually, the money offered amounts to less than half the $3,063,500 which the then director of the budget for New York City, the Honorable Abraham D. Beame, said the police force was paid out of an overburdened municipal treasury at straight-time pay rates for what has proven to be exhaustive overtime work. Actually, I do not think this bill H.R. 4441 goes far enough. I would like to see the Government include overtime pay, as covered in my bill H.R. 3443, in its contribution to the city so that these dedicated police officers can receive what is rightfully due them. This would make a total appropriation of $4,404,000 instead of the $3,063,500 as provided in the bill before us.

As John S. Cassese, president of New York City's Patrolmen's Benevolent Association, so significantly has pointed out, members of the force worked as many as 30 consecutive days with no time off. In addition, there were numerous instances in which the members performed 16 hours of duty within a 24-hour period. In view of the hardships borne and the conspicuous devotion to duty by the police, this compensation appears to be entirely reasonable.

When New York City was chosen as the seat of the United Nations, no one realized the unusual problems of police protection which might arise as a result of having a large international organization, including many foreign delegations with diplomatic immunity, located in the heart of our metropolis. We all hope that the item to reimburse the city for its direct costs during last year's U.N. crisis will not be recurrent. It may well be, however, that future developments will require some regular method of sharing the costs incident to U.N. operations in New York City, and that the Federal Government may, in time, regularize its responsibility in this field as it has already done in connection with the support of public schools in the so-called federally impacted areas. However, I do not propose, at this time, to argue the necessity or the desirability of such an arrangement.

New York City's policemen rose to the emergency and the whole country was justifiably proud of them and of the outstanding job they performed in controlling a dangerous and explosive situation and successfully protecting those who had come to the U.N. for the deliberate purpose of provoking violent incidents.

Let me point out that this is no time to be shortsighted expressing the Nation's gratitude to this fine body of men by adequately compensating the city for its expenditures for this protection. This is not a matter for precise bookkeeping but for a broad and generous gesture in according well-justified reimbursements. Surely the people of America want to share in this significant expression of gratitude to the real heroes of the New York summit meeting of September 1960.

These magnificent policemen were not on duty for lengthy periods of continuous stress solely as representatives of New York City alone. In actuality, they stood their posts fully conscious of the fact that their responsibility could affect the security of America and the peace of the entire world. Their excellent demeanor and accomplishments reflected directly and brightly on the entire United States. Every one of our 180 million citizens were the beneficiaries of this mammoth job of protection. This was a task thrown on the broad shoulders of New York's Finest by the intention of the leaders of organizations and nations dedicated to unrest, disorder, and aggression, to converge on the fall, 1960 meeting of the United Nations. Consequently, they became uninvited guests of the United States.

They came, in effect, to hold a convention of disorder and unrest on the threshold of the organization—of which they are members—designed to combat it.

They literally, by their tactics, thumbed their noses at the democracy, peace, order, and even, I might add, civilization itself. It was the New York Police Department, thrown into the role of agents for the whole of the United States, to meet the challenge. And meet it they did—above and beyond the call of duty.

In this light, I can see no valid reason why the Federal Government should not reimburse New York City for the wages it advanced in the cause of world peace and national defense. And as I said, this still falls far short of the actual expenditures.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman from California.

Mr. YOUNGER. Mr. Chairman, I was wondering whether or not the city of San Francisco does not have a legitimate claim, because it went to considerable expense to protect Mr. Khrushchev when he visited that city. The cost there was somewhere around $200,000, with the extra police, and so forth, which the city had to provide. I am thinking of offering an amendment to this bill to give $200,000 to the city of San Francisco. Does not the gentleman think that would be a proper amendment?

Mr. HALPERN. No. Let me answer the gentleman this way. The

United Nations is located in New York City. This was not a question of merely protecting Khrushchev and company. This was more than a question of maintaining peace and order in the city of New York. These world figures, including the despots who have been mentioned today, were the guests of the United States, not just an individual city. We had several dictators, several men of questionable character, of ideologies which were bound to enrage the public. The police did a yeomanlike job and, as I said before, I believe a strong case has been presented for the city of New York, acting in this instance as agent for the United States, by the gentlewoman from New York [Mrs. KELLY].

Although I do not believe it has, if San Francisco feels it has a good case they should submit the matter to the Department of State in due course. I do not know whether they have done so. But the issue before the House today is the reimbursement to the city of New York.

Mr. YOUNGER. Mr. Chairman, according to the hearings, the Assistant Secretary of State said that this would establish a very bad precedent and that they were opposed to this kind of legislation.

Mr. HALPERN. I do not see how it can possibly oppose the principle of the bill especially when the Department of State and the Nation had so much at stake by the kind of protection given these world figures.

Mrs. KELLY. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. GILBERT].

Mr. GILBERT. Mr. Chairman, I rise in support of H.R. 4441.

First of all, I wish to commend the gentlewoman from New York and the Committee on Foreign Affairs for the excellent work they have done in connection with this bill. The gentlewoman from New York is to be congratulated upon her foresight in introducing this bill, which is reasonable and fair in every respect, and I am grateful to the committee for reporting favorably thereon.

It has been shown and it is recognized that a great financial burden was borne by the city of New York as a result of the 1960 session of the 15th General Assembly of the United Nations, since this session was attended by a large number of chiefs of state and heads of government. The highly unusual and unprecedented circumstances which surrounded this session of the Assembly, presented a grave problem and the city of New York was called upon to meet tremendous responsibilities. Our great city of New York met the challenge successfully, but we were alert to the fact that any situation endangering the lives of the heads of state could have created an incident of awesome proportions.

The extraordinary and unprecedented expenses referred to in H.R. 4441 constitute the overtime payment to members of the Police Department of the city of New York. For 26 days the New York Police Department, numbering over 22,000 men, was required to work 7 days a week instead of the normal 5-day workweek. The $3,063,500 for which authorization is requested, was distributed to members of the New York police force on the basis of straight time rates for the overtime which they performed in protecting the high-ranking Government officials during the 26-day period when they visited the United Nations in New York. This bill would now provide for reimbursement of these moneys to the city of New York.

I think a word of congratulation and gratitude is in order; the city of New York furnished adequate protection to the most controversial persons ever attending any United Nations General Assembly; the fine men on our police force gave up their days off and worked 60 hours per week instead of the normal 42 hours, and with efficiency and success carried out their heavy duties.

The Congress should now fulfill its moral obligation and reimburse the city of New York for the extraordinary and unprecedented expenses it was called upon to bear.

Mrs. KELLY. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. RYAN].

Mr. RYAN of New York. Mr. Chairman, the first bill I introduced in this House, H.R. 2447, on January 12, 1961, was to reimburse the city of New York for the unusual expenses it incurred in providing police protection for the United Nations and the visiting heads of state attending the 15th General Assembly from September 19, 1960, to October 14, 1960. During that period the New York City Police Department provided remarkable around-the-clock protection at a time of unusual tensions. That session will long be remembered for bringing to the United States at the same time Khrushchev, Castro, Tito, Nasser, and others.

With the tensions of the cold war and the number of Communist country refugees in New York City, I am sure you can imagine the tremendous task the New York City Police Department had in providing protection and in keeping order. The police commissioner assigned 7,700 men in connection with the United Nations. However, 7,700 men could not accomplish the task on a normal schedule of duty. Normal duty hours are an 8-hour tour for 5 days. Then a policeman is off duty for 56 hours before he reports to work on a different tour. In order to provide proper police coverage for the entire city as well as the United Nations, it was necessary for 22,500 men to work overtime for the duration of the emergency and for the police department it was an emergency. The 22,500 men worked 8-hour tours for 7 days straight, with only an 8-hour rest period at the end of the 7 days—a 59-hour workweek. They performed 21 tours of duty in 20 days. Lieutenants, captains, and inspectors were on 24-hour call.

As we all know, in spite of mass demonstrations, large crowds and bitter feelings, no harm came to the heads of state or any other United Nations personnel. I am sure all of us agree with Elmer Hipsley, a State Department security agent, who told Commissioner Kennedy that it was the finest job ever performed by any police department anywhere.

The New York City Police Department estimates that the policemen worked 1 million extra hours to protect the heads of government and to maintain order in the United Nations and other areas visited by these personages.

My bill, H.R. 2447, would have reimbursed the city the sum of $4,404,000. This represents the time-and-one-half rate for overtime.

H.R. 4441, the bill under consideration today, reimburses to the city $3,063,500 which represents the cost of overtime wages calculated on a straight time basis which the city actually paid to the members of the police department.

I regret that the dedicated policemen and policewomen will not be compensated at the rate of time and a half. I feel strongly that they are entitled to be compensated at the accepted overtime rate of time and a half which is incorporated in our national labor policy.

I might point out, Mr. Chairman, that passage of this bill will not make up to the city the loss of police protection sustained during this period. The New York City Police Department estimates that the cost of equipment and personnel diverted from regular police duties to special details relating directly to the United Nations General Assembly, including the cost of personnel whose vacations were suspended, amounted to an additional $1,800,000 or more. This bill provides only about 60 percent of the actual cost to New York City.

Mr. Chairman, as a Representative from New York City, I am proud that the United Nations, mankind's great experiment and hope in international relations, is located in our town. New York City welcomes the United Nations. However, the benefits from the presence of the United Nations on U.S. soil are shared by the entire Nation. Therefore, it is logical and just that one city should not be required to bear the financial burden of providing police protection under unusual and extraordinary circumstances.

I believe in equity and justice New York City should be compensated for its out-of-pocket expenses; and I might add, that the dedicated police force be compensated at time and one-half.

Mr. MERROW. Mr. Chairman, I yield 4 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, almost all of the trouble that has been mentioned occurred in the congressional district I represent, which houses the United Nations, as well as all of the embassies to the United Nations, as well as all of the delegates, some of whom were the source of some of the difficulties we had in New York during the meeting of the 15th General Assembly.

I support this bill. I do so on the ground that in any international body of this kind the sovereign has the underlying basic responsibility to the host. With that responsibility go certain obligations.

Let us be clear we are not talking about a Federal responsibility to do the actual policing. That would never be the case, and hopefully in this country never will be. The question is: Who picks up the tab; who is going to pay the bill?

The agreement with the United Nations is clear. The sovereign has the ultimate responsibility. In connection with the International Labor Organization in Switzerland and the League of Nations before that, the local canton government does not pay the expenses of the necessary policing. The central government pays.

Basically I would approach this problem differently. I testified before the Committee on Foreign Affairs and introduced a bill which embodies a different concept. I am not going to offer it as a substitute, however, as I know very well it would be most unpopular and would be rejected. It would provide for permanent legislation, and permanent legislation is often troublesome. It would provide that the United States would pay one-third of any extra identifiable cost connected with the policing of the institution of the United Nations. In actuality this would work out to a lesser amount than is contained in this bill.

The reason I think that permanent legislation with the division of one-third Federal and two-thirds local is sensible is that once you agree to the proposition that there is Federal responsibility, which I think there is, it does not make too much sense to make it a one-time deal. There is no logic in that, particularly. But if you agree that the United States as the host country has an ultimate responsibility to make some contribution, then it seems to me there is no logical reason why there should not be permanent legislation with a fair division of the cost. Now why do I suggest that New York take two-thirds and the Federal Government one-third? The reason why as a practical matter is because the city benefits from having the United Nations there, from tourism, trade, and so forth.

However, knowing that permanent legislation would be impossible, I think that this proposal that the Foreign Affairs Committee reported out is fair, reasonable, and sensible. For that reason, Mr. Chairman, I support the bill.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield to the gentleman from Ohio.

Mr. DEVINE. I have just a couple of questions that I would like the gentleman to answer if he is in a position to do so. First, do you know whether or not the city of New York has paid the policemen for the time put in on this?

Mr. LINDSAY. Yes; the policemen have been paid by the city of New York.

I should like to add this additional point. The police protection that New York was required to provide, drained off anywhere from one-third to one-half of the police force of the city of New York. My own congressional district suffered terribly as a consequence. Crime went up. Organized gangs were able to go around looting and doing various things because there was not sufficient police protection. They were all on overtime duty around the Embassies.

Mr. DEVINE. The second question I would like to propound to the gentleman, if he is in a position to know, is this: Does the New York City Police Department have a system known as the compensatory leave system in effect which many police departments have across the Nation?

Mr. LINDSAY. I am unable conclusively to answer the gentleman's question, but I see my colleagues from New York on the majority side nodding their heads in the affirmative.

Mr. DEVINE. In effect, the compensatory leave requires a man who has worked overtime rather than being paid cash for the time he served to take a comparable period of time off during the course of the year.

Mr. LINDSAY. Apparently, the answer to the gentleman's question as to whether the New York City Police Department has a compensatory leave regulation is in the affirmative.

Mr. ROONEY. That is my understanding. They do give time off to recompense the policemen for overtime work, but in the situation which existed in the city of New York in the fall of 1960 it was impossible to allow policemen to take compensatory time off because it would have left the city with no police protection at all. It would have stripped the city of needed police protection for several months.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SANTANGELO. Mr. Chairman, I support this measure, H.R. 4441, authorizing appropriations of $3,063,500 to reimburse the city of New York for the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations.

I commend our colleague, the able gentlewoman from New York [Mrs. KELLY], for her efforts in this matter.

During those hectic days the New York City Police Department acted beyond the call of its duty. A visitor in New York City in those days during the 15th General Assembly of the United Nations seeing the police officers on the alert and stationed 6 feet apart from each other maintaining peace and order might believe he was in Paris, France, on July 14, on Bastille Day. The city was like an armed camp and the police officers were on the alert for trouble, and there was plenty of trouble around. More than 70 people were arrested for disturbances.

When the Police Department of New York City throw up the police cordon night and day around the United Nations where a robust Russian was threatening speakers with his shoes, or was protecting the chicken plucker cackling and doing his farming in the Hotel Shelburne on 37th Street or the Hotel Theresa on 125th Street, they were protecting not only Khrushchev, Castro, and Gomulka and communistic leaders but also the entire people of America and of the free world. They were protecting by their actions the cornhusker from Iowa and Nebraska. They were protecting the cottonpicker from Texas and Arkansas. They were protecting the beet grower from Arizona and Nevada. They were protecting the fruitgrower in the San Fernando or Napa Valley of California. They were protecting the cliffdwellers in the big cities of New York, Chicago, Philadelphia and Detroit. If the police department had failed in their duty to protect these uninvited visitors, we might have experienced a situation comparable to that which happened when Archduke Francis Ferdinand was assassinated at Sarajevo. This is not a far-fetched possibility, but was almost a reality.

I watched many of these New Yorkers and Americans and wild-eyed people cursing and screaming at Khrushchev in the United Nations on that very rainy morning when he arrived. One of these irate and wild persons was a minister from my district, a 6-foot-3-inch Hungarian who remembered the slaughter of his family in Budapest by Khrushchev. This mild reverend had hatred in his heart and murder in his eyes. If the opportunity presented itself or if he had a chance to get at Khrushchev, he would have sought to tear him limb from limb or kill the butcher of Budapest. Many others in the crowd, their tempers frayed by the drizzling rain and the memory of wrongdoing to their kinfolk, felt the same way and were bent on mayhem or murder. The police action prevented all of them from carrying out their illegal but understandable desires.

During those days between September 9 and October 14, 1960, many Cubans paraded up and down enjoying the antics of infidel Castro. Other Cubans remembered how the bearded giant from Cuba who promised so much and did so little, that their friends and relatives had been shot down and killed beside the wall. These Cubans, if they were not prevented by the New York police, would have wreaked vengeance upon Mr. Castro. The New York City police's devotion to duty and around-the-clock service prevented any incident or harm to these men. The New York City police did their duty and much more. Many worked overtime. Leaves were canceled and they recognized their responsibility. We, in New York City, did not ask these foreign characters to visit us in New York City or in the United Nations. By international rules, they had a right to come to the United Nations and we had a duty to protect their persons. We were responsible for their safety and the safety of America. It cost the city of New York millions of dollars during these days for an extra million manhours. These were not ordinary expenses. We, therefore, ask a gratuitous or an ex gratia payment. For the American people, for Congress, to refuse this payment would be an act of ingratitude. To grant this payment would be doing simple justice. I trust that this bill will pass.

Mr. MERROW. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. JOHANSEN].

Mr. JOHANSEN. Mr. Chairman, on September 15, 1960, I made this public statement:

> Like the trusting victims of a slicker salesman, many Americans are making a belated discovery of the fine print in the legislative contract whooped through Congress nearly a decade and a half ago, implementing the United Nations charter and establishing the permanent seat of the U.N. in New York City.
>
> Occasion for this tardy and rude awakening, of course, is Mr. Khrushchev's pending

arrival as a self-designated Soviet delegate to the U.N. General Assembly session, convening Tuesday, and his consequent uninvited and unwelcome return to our shores.

There are second thoughts among some officials of the U.S. Government about the wisdom of having the United Nations headquarters in New York, where Communist leaders can come to get the world's most potent sounding board for their propaganda.

At this moment I am not going to attempt to discuss the point further but hope to have additional time when the bill is read for amendment, when I wish to direct certain questions to the gentlewoman from New York [Mrs. KELLY].

Mrs. KELLY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. STRATTON].

Mr. STRATTON. Mr. Chairman, I rise in support of H.R. 4441 introduced by the gentlewoman from New York [Mrs. KELLY].

I believe this legislation is justified because of the extraordinary situation to which it refers. It is an extraordinary situation in that the country as a whole, as has already been indicated, is proud that the United Nations is located in America, in New York State, and in the great city of New York.

I think we may have forgotten that the event this bill refers to was the occasion when Mr. Khrushchev, addressing the General Assembly of the United Nations, took off his shoe and began to pound his desk. When the leader of the Soviet Union took that unprecedented kind of action no one could know what the consequences might be. Certainly every step had to be taken to protect Mr. Khrushchev and also to protect the people of New York.

Only yesterday of course we received the word from Mrs. Drew Pearson that the reason Mr. Khrushchev did what he did was that earlier when he had pounded his fist on the desk he had broken his watch, and so to protect his new watch he took off his shoe and pounded the desk with his shoe. But we did not have that kind of high-level intelligence at the time in New York City.

The city of New York did a fine job in rising to this occasion. It did not ask for help and did not hesitate to furnish all the manpower needed, around the clock. In doing so they performed a service not only for the people of New York but for the entire Nation, as New York City always has done when the occasion arises, and as she is doing even today when she is host to the President of Brazil, whom we hosted here yesterday.

Great credit must go to the city of New York for the great contribution she is doing for our foreign policy; and so we, as the legislation says, out of gratitude, ex gratia, should therefore pass this pending legislation and reimburse the city of New York the extraordinary sums they spent to protect the people of our country.

Mr. MERROW. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. BECKER].

Mr. BECKER. Mr. Chairman, I had intended merely to rise and state my support of the bill believing it was justified in view of the fact that the city of New York handled in the finest fashion a difficult situation that could well have gotten beyond control if it had not been for the extraordinary policing provided.

However, I must say now, I have never heard so much talk by the proponents, that could cause many Members to oppose it, who might have voted for it. When you bring in overtime, when you bring in permanent legislation, you try to bring in everything but the kitchen sink. When you have a bill that is justified and should be passed, do not bring up a lot of extraneous things to kill it.

Mr. Chairman, I support this legislation. It is justified.

Mrs. KELLY. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. ROSENTHAL].

Mr. ROSENTHAL. Mr. Chairman, I want to bring to the attention of my colleagues in the House a remark that the distinguished mayor of the city of New York made during the period of time he testified before the committee. He said:

I say to you, honestly and sincerely, that more even than our Armed Forces, for that limited period of time, the guardians of the peace of the world were the 24,000 men of the New York City police force.

I take it for granted that we will assume our obligation to the country and to the Nation for the work these policemen did in the interest of the country. I strongly urge the adoption of H.R. 4441.

Mrs. KELLY. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. ANFUSO].

Mr. ANFUSO. Mr. Chairman, I rise in support of the bill under consideration, H.R. 4441.

This bill was introduced by our distinguished colleague, the Honorable EDNA F. KELLY, of Brooklyn, N.Y. Its purpose is to reimburse the city of New York for expenses incurred during the 15th United Nations General Assembly in the fall of 1960. You will recall that that was the session which was attended by all the top leaders and heads of state of practically all countries in the world. The contingent of the Communist bloc was headed by Premier Khrushchev of the Soviet Union, and in this contingent was also Fidel Castro, of Cuba.

I cite these facts, Mr. Chairman, to show how tense and explosive was the situation during the weeks from September 19 to October 14, 1960, in the New York area with all these controversial figures present there. We were most fortunate that, with the exception of a few minor incidents, no other major incidents took place which could have resulted in tragic consequences.

If credit is due anyone, it is due to the wonderful job done by the New York City Police Department and its thousands of men in police uniform, whom we proudly call New York's Finest. The director of the budget in New York City estimated that the police put in over a million extra hours of overtime during those few weeks in guarding the heads of state at their residences, in going and coming from the United Nations meetings, and at other occasions.

I prefer to think of it not merely in terms of giving up their personal comfort, their time for leisure, and time for sleep and rest, but in terms of a great contribution to the security of our Nation and to the maintenance of peace in the world. It was one of the toughest security jobs anywhere, under difficult circumstances, under great tension and the constant threat of an unprovoked incident or outright provocation.

The least we could have done was to recognize this contribution on the part of New York City's police by a payment for the extra time they worked. A sum of $3,063,500 is requested in this bill, and this was the amount actually distributed by the city to the policemen. The city budget director estimated that if the full amount were to be paid to these men it would amount to about $6 million. We are only asking for the amount actually paid out by the city, something which New York cannot afford because of its difficult financial situation.

Mr. Chairman, the amount requested is not an exorbitant sum. Let us look upon it as an investment in peace and security. It certainly would have been much more costly if New York City had said that it cannot assume the responsibility and the protection of all these heads of state under such tense circumstances and the U.S. Government would have had to bring into New York 10,000 or 20,000 military personnel for purposes of protection. Think of the cost involved in transporting so many men to and from New York, maintaining them there with food and lodging, and other expenses.

This is a just request. I urge all of my colleagues to support the bill.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. ANFUSO. I yield to the gentleman from California.

Mr. YOUNGER. Are we to understand that you did not invite them? Are we to understand in addition that you do not want the U.N. headquarters in New York?

Mr. ANFUSO. I said we did not invite these people. This is not our obligation.

Mrs. KELLY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I think all that could be said has been said in support of this measure. May I be so presumptuous as to speak on behalf of the city of New York in order to indicate to this House that we are gratified with the unanimity of support here for this bill. If this were a proposition being submitted for the first time as to whether or not we should assume this kind of an obligation, some might be inclined to vote against it. I am happy to note that practically every Member is in support of this legislation in order that this obligation to the city of New York should be fulfilled and this money authorized for repayment to the city of New York for a job well done by its police force and by the entire city government.

This obligation was assumed by the U.S. Government when the Congress enacted Public Law 387 in the 80th Congress. The ultimate obligation to keep the peace and protect foreigners having

business with the United States is that of the Federal Government. In this instance, New York City was merely the agent of the United States of America.

Mr. MERROW. Mr. Chairman, I have no further requests for time.

Mrs. KELLY. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. FARBSTEIN].

Mr. FARBSTEIN. Mr. Chairman, just as Washington is the center of diplomacy of the world, we in New York are proud that our city is the center wherein the Congress of the world, known as the United Nations, meets. We are very proud that New York City was chosen as the center of world activity because I can think of no area that better befits the activities of the United Nations.

We have housed the delegations of the various countries of the world without any fuss or fanfare. As a cultural, financial, educational, and entertainment center, New York has afforded the various delegates the means whereby they could enjoy to the fullest their diverse leisure moments.

New York is the melting pot of the world, it is both the gateway to the West and the welcoming place of the immigrants.

It is in New York that stands the Statute of Liberty with the storied words:

Keep ancient lands, your storied pomp.
Give me your tired, your poor,
Your huddled masses yearning to breathe free.
The wretched refuse of your teaming shore.
Send these, the homeless, tempest-tost to me.
I lift my lamp beside the golden door.

We in New York are ever ready to welcome and give protection to all visitors.

The convening of the 15th General Assembly of the United Nations brought with it the unprecedented attendance of heads of governments, some hostile to our people. Yet, as the home of the United Nations, it was our obligation to protect even Khrushchev and Castro. In order to protect these gentlemen and others, the authorities in the city of New York alerted its police force. This force worked ceaselessly for weeks on end during the concentration of the heads of state of many nations. As the mayor of the city of New York, the Hon. Robert F. Wagner, Jr., said in a formal statement on December 8:

> The extraordinary services of the police has been recognized in congratulatory messages from the President of the United States, the Secretary of State of the United States, the Secretary General of the United Nations, and many other tributes from individual nations.

The mayor of New York suggested that in a sense the peace of the entire world was involved and called this police effort Operation Security. It cannot be denied that no greater effort could have been expended or more protection logically given to the delegates.

However, I believe that it is only fitting and proper that the services rendered by the city through its police force be recognized financially in the form of reimbursement for extraordinary payment made by the city fathers out of funds it cannot afford to spend.

The then Secretary of State, the late Christian A. Herter, in a letter to our late beloved Speaker Sam Rayburn on January 12, 1961, said:

> The circumstances which existed during the early weeks of the Assembly session would make it inappropriate to expect the city of New York to bear this additional expense in its entirety.

And so we come before you with this bill whereby we seek to reimburse the city of New York for expenditures of about $3 million to cover the extraordinary cost of this police operation. The direct cost of manpower and other than personal services involved in the protection required in the United Nations areas and in consulates and other areas amounted to almost $5 million. The city is not seeking reimbursement for added out-of-pocket cash payments caused by this emergency situation. This involves about $3 million which it distributed to policemen for overtime at straight time rates only. The city does not provide in its budget funds for such extraordinary emergency situations. Consequently it was necessary to borrow this more than $3 million by the issuance of budget notes which must be repaid. The city can ill afford to absorb this additional cost which is properly Federal responsibility.

Under agreement made between the United Nations and the United States regarding the headquarters of the United Nations, the appropriate American authorities are required to furnish police protection in the areas surrounding the headquarters district and to delegates to the United Nations. This, we in New York are very pleased to do. This we have done ever since the United Nations was first established in 1947, for we feel it is a moral obligation on the part of the city to furnish the necessary protection. The question then becomes, what organ of government has the ultimate responsibility for the furnishing of this protection and the resulting obligation to pay the expenses thereof.

As agent for the United States, New York cheerfully assumes its burden. All it asks is reimbursement for the extraordinary expense of police protection for a job well done.

Mrs. ST. GEORGE. Mr. Chairman, I urge the adoption of this bill at this time.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated, out of moneys in the Treasury not otherwise appropriated, the sum of $3,063,500 for payment to the city of New York. The said appropriation shall be considered an ex gratia payment to assist the city of New York to defray the extraordinary and unprecedented expenses which the city incurred in affording protection to visiting chiefs of state and heads of government during the Fifteenth General Assembly of the United Nations.

Mr. JOHANSEN. Mr. Chairman, I move to strike the last word.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. JOHANSEN. Mr. Chairman, I want, first of all, to salute the New York City Police Department for the magnificent job it did with respect to the situation we are discussing here today.

Mr. Chairman, I would like to direct one question to the gentlewoman from New York [Mrs. KELLY]: If I understood the gentlewoman correctly in an earlier colloquy, the gentlewoman said she believed that if this sort of situation were to again occur, she would favor requesting United Nations payment in part or in whole.

Is the gentleman correct in his understanding?

Mrs. KELLY. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. I yield to the gentlewoman from New York.

Mrs. KELLY. Mr. Chairman, I do not think that we should wait that long. I think at this time our delegates to the United Nations should be so directed to deal with this problem prior to another incident.

Mr. JOHANSEN. I thank the gentlewoman. I associate myself completely with the view that there should be action taken now. But I do raise very seriously the question as to why that proposal should not have been raised with respect to this expense, and not with respect only to subsequent expenses.

Mr. FRELINGHUYSEN. Mr. Chairman, will the gentleman yield?

Mr. JOHANSEN. Just briefly. I have only 5 minutes.

Mr. FRELINGHUYSEN. I think the answer to that question is that there is an agreement which, in effect, says that the United Nations is not responsible; that this is the responsibility of New York City, or the American authorities.

Mr. JOHANSEN. I thank the gentleman. That may well go to this particular proposition.

In that event, I would suggest that not only should the matter be taken up forthwith by our delegation to the United Nations with respect to subsequent affairs, but there should be steps taken, both in the General Assembly and by the Congress of the United States, to revise those provisions of the agreement bearing upon that point.

Mr. Chairman, I want to refer to one other matter. There is stated in the report that this action today does not set a precedent. Yet the gentleman from New York [Mr. FINO] concluded his remarks by the statement that if we do not take this action, he could not say what the attitude of New York would hereafter be. I cannot reconcile these two statements. I shall not say that it was an implied threat. I cannot reconcile that sort of statement with the allegation that this does not set a precedent, because the only possible import of that statement is that if we do pay for it this time, we will give the city of New York reason to believe that we will pay for it the next time. Otherwise, I see no significance, no logic, and no point to the remark of the gentleman from New York [Mr. FINO].

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield, briefly?

Mr. JOHANSEN. I yield to the gentleman from New York.

Mr. ROONEY. Is the gentleman familiar with the language on page 3 of the committee report which expressly states that the committee reported this bill out, "with the reservation that in recommending favorable action, such action shall not constitute a precedent for reimbursement in the future for the same or similar purposes"?

Mr. JOHANSEN. I am entirely familiar with that. I have seen that kind of statement written into hundreds of committee reports, and I have seen the practical effect to be that a precedent was established. The very point that I am making, I will say to my very good friend from New York, is that I cannot reconcile this no-precedent claim with the statement of the gentleman from New York [Mr. FINO] to the effect that he does not know what New York City will do next time if we do not pay this. The only import of that is that if we pay this we are then giving New York City assurance that they will be taken care of the next time, which to me gives solid substance to the charge that I am making, that this is to become a precedent-setting action.

I am not so sure—and I know this is not the time to solve all the problems—if we are going to continue to have a United Nations that this and many other situations that have developed constitute the best possible argument for some sort of an international District of Columbia for this international agency, so that we are not seceding and abdicating a geographical and political area of sovereignty of the United States.

Mr. GROSS. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks and to proceed for 5 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Chairman, this has been a pretty rough week for the taxpayers of America. On Monday the House obligated $2 billion for the International Monetary Fund. On Tuesday the Peace Corps dug into the taxpayers for nearly $64 million, a 100 percent-plus increase in the appropriation for that outfit. Yesterday the taxpayers were clipped another $25½ million for the United Nations and $17 million for the New York Fair. These are only some of the high spots.

The gentlewoman from New York [Mrs. ST. GEORGE] in speaking on this question under the rule said that the question is whether this $3 million is enough or too little. I respectfully submit to my good friend, the gentlewoman from New York [Mrs. ST. GEORGE], that as far as I am concerned the question is whether we ought to give New York City anything. And I do not think we ought to give them a dime for this purpose.

Mrs. ST. GEORGE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am delighted to yield to the gentlewoman.

Mrs. ST. GEORGE. It seems to me that under the provisions of this bill I am quite sure that the gentleman will agree on considering what the city of New York was obliged to do that they must be paid something. There are three different sums that we can consider. It seems to me it is a question whether we are going to give the largest sum, the medium sum, or the lowest sum.

Mr. GROSS. And I add: nothing at all.

Mrs. ST. GEORGE. But then my friend is always very definite and I am afraid the House of Representatives is not always as definite.

Mr. GROSS. I understand that, too; and I thank the gentlewoman for her remarks.

We had Khrushchev out in Iowa shortly after he was in New York. We assembled our police forces out there, took our highway patrol off the highways, jeopardizing safety on the highways, and if I remember correctly, used some elements of the National Guard.

Strange as it may seem, we are not now here on the House floor bleeding at every pore and pleading that you reimburse the State of Iowa for the unusual expense of having Khrushchev on our hands.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman yield?

Mr. GROSS. I yield to my friend from New York.

Mr. ROONEY. I trust the gentleman is not comparing the Iowa State police force with New York's Finest.

Mr. GROSS. We will compare with you any day.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Is it not true that you had the expenses but you did not have the permanent benefits financially that New York realizes from the presence of the United Nations?

Mr. GROSS. Of course.

Mr. JOHANSEN. Does not the gentleman agree that the citizens of New York ought to be willing to take the bad and pay for it as well as all of the good they get?

Mr. GROSS. Certainly they should, but they want to eat their cake and have it, too. Let me point out to the Members of the House that in 1956 several cities vied with each other to get the national political conventions, which are of short duration as compared with the United Nations, which goes on and on and attracts hundreds of thousands of visitors to New York City every year. These visitors are an important source of income to New York.

In 1956 the city of San Francisco put up $1 million for the Republican National Convention at San Francisco. The Democrats held their convention in Chicago in 1956. The city of Chicago paid $1 million into the Democrat kitty to get that convention for only a few days.

In 1960 the Republican National Convention went to Chicago. The city of Chicago again put up $1 million to get it. Apparently it is good business. In 1960 the Democrat National Convention went to Los Angeles, and Los Angeles put up $750,000 and the State of California another $750,000 to get that convention for only a few days. There were unusual police expenses in all those cities at all of those conventions. They paid for those bills, too.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. MULTER. I should like to say that the city of New York loses upwards of $3 million each and every year in taxes by having the United Nations there. All of that land and the building is tax free. The city of New York loses $3 million a year in taxes.

Mr. GROSS. How did they come to locate the United Nations in New York if the city of New York did not want it?

Mr. MULTER. That is beside the question.

Mr. GROSS. No, it is not.

Mr. MULTER. The fact of the matter is that the city of New York makes and has made a major contribution to keep it there.

Mr. GROSS. New York City asked for this Tower of Babel and got it. Now you want the taxpayers of the Third District of Iowa and the taxpayers of every other municipality and State in the United States to bail you out by paying your bills despite the rich harvest of income that you reap.

Mr. MULTER. All we want is for the U.S. Government to pay its obligation.

Mr. GROSS. Just a minute; this is my time. This is not a Federal obligation. I hope the city of New York does what the gentleman from New York [Mr. ANFUSO] suggested might be done or perhaps should be done. I do not want to put words in his mouth. He suggested if there was a referendum, the citizens of the city of New York would vote the United Nations right out of town. Why do you not hold that referendum and get them out of there, if you do not like to pay your legitimate bills?

Mr. MULTER. I think the gentleman is not quoting the gentleman from New York correctly. I do not think the city of New York could vote it out. This is an international body.

Mr. GROSS. What does Mr. Gardner, Deputy Assistant Secretary, International Organization Affairs, Department of State, say about this, as printed in the hearings? He says, among other things:

> This agreement does not fix the responsibility on the Federal Government for the payment of these costs.

He says:

> New York sought to be the host city; it derives tremendous advantages in the way of prestige from this status and tremendous commercial advantages. The property values in the area of the United Nations have increased enormously as a result of the location of the U.N. in New York City.

Do you still want the taxpayers of the Nation to pick up your bills in New York City when the State Department says this is not the responsibility of the Federal Government?

I swear I think that what we ought to do is to pass a bill, if that is necessary, to remove the torch from the hand of the Statue of Liberty and insert in lieu thereof a cup—a tin cup.

Mr. SCHWENGEL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Iowa.

Mr. SCHWENGEL. I want to say that that on this occasion I agree with the gentleman from Iowa.

Mr. GROSS. It is not very often that you do and I am glad to have that information.

Mr. SCHWENGEL. And since the gentleman brought up the matter of Mr. Khrushchev coming to Iowa and he might have raised trouble in my district, and also in view of the fact that the gentleman brought up the possibility of comparing the police force, and, of course, the enforcement officers of Iowa, my home State, I think I should say a word about that and remind him, I believe, and I think the gentleman from Iowa will agree with me, that all our enforcement officers beginning with the justices of peace, including the city police and the deputies and the detectives and the sheriffs and their deputies and the State control and all their systems, probably all outrank the police force in that great metropolis, and have great ability, and in this instance they went beyond the call of duty and in almost every instance wherever this party went to carry out their responsibility of their office and contend with the problem that prevailed and they did it very well.

Mr. GROSS. The difference is that the State of Iowa and their representatives in Congress are not here today asking for a handout for having carried out a task that was our responsibility.

Mr. SCHWENGEL. No, no, it never occurred to them to do that.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman again yield?

Mr. GROSS. I yield to my friend from New York.

Mr. ROONEY. Did I correctly understand the gentleman to say the National Guard was called out in Iowa on Khrushchev's visit?

Mr. GROSS. If I remember correctly some elements of it were used.

Mr. ROONEY. Who paid for the National Guard?

Mr. GROSS. Just a minute now. Let me respond in my own way. You are operating on my time.

Mr. ROONEY. Oh, I would not in any way try to take advantage of the gentleman from Iowa.

Mr. GROSS. I am sure of that.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: Page 2, line 2, after the word "Nations", and before the period, insert "and shall constitute settlement in full for all such future pleas that may be made by the city of New York to the Federal Government."

Mr. GROSS. Mr. Chairman, I always offer amendments that are easily understood. This will simply say to the city of New York that in the future, you take care of your bills; as long as you have the Tower of Babel on your hands, you take care of your bills. That is all this does. I am not going to vote for the bill, but I think if there is any danger—and I cannot conceive of it passing—but, if there is any danger of the bill passing, I think the House ought to adopt this amendment just to shut this water off as of now.

Mr. TEAGUE of California. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from California.

Mr. TEAGUE of California. If I understand this amendment, it does not preclude two or three of my small cities in my congressional district which Khrushchev dishonored with his visit from putting in a claim of a few hundred or a few thousand dollars which means as much to them as $3 million does to the city of New York.

Mr. GROSS. Oh, no, you could offer your bills.

Mr. TEAGUE of California. They can still go ahead and ask the Congress to reimburse them?

Mr. GROSS. That is right, but knowing the gentleman from California, I doubt he would do so.

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. JOHANSEN. If I understand the import of the amendment, it is that there will be one go-round for every community or city—one crack at the Federal Treasury?

Mr. GROSS. This would not preclude any other State or city from asking for a handout. It just says to the city of New York—Congress is not going to answer any more of your pleas for money for this purpose from the busted Federal Treasury.

Mr. JOHANSEN. If the gentleman will yield further, I think the gentleman misunderstood the point I was trying to make. This does not preclude any other community from having one crack at the Treasury; is that correct?

Mr. GROSS. That is correct, but I do not think that will happen.

Mr. JOHANSEN. In other words, any other community can come in and ask to be reimbursed for expenses incident to the visits of Communist scum to this country?

Mr. GROSS. That is right.

Mr. Chairman, it is hard to believe that the city of New York, having dipped into the Federal Treasury only yesterday for $17 million for the New York Fair, would be right back for another $3 million today. This city is fast becoming a luxury that the badly bent taxpayers of the Nation can ill afford. Maybe the whole area ought to be turned over to the United Nations and policed by the mercenaries we have hired for the Congo and in the Middle East.

I urge the adoption of my amendment.

Mr. O'BRIEN of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I realize that when the city of New York is concerned it is always open season. I think I can stand here as something of a neutral; I do not live far enough away from New York City to think that everything they ask for is wrong, but I do live far enough away to state to you that not 5 cents of this money will come to the community I represent.

I think in all fairness when we picture on the floor of this House the city of New York as the Statue of Liberty with a tincup looking for a handout from the Federal Government, we might consider that this is a two-way street. Let me ask you how many millions and hundreds of millions of dollars the people of the city of New York have paid into the various farm subsidy programs when many of the people there have never seen a cow unless it was hanging from a hook?

Mr. JOHANSEN. Mr. Chairman, will the gentleman yield?

Mr. O'BRIEN of New York. I yield.

Mr. JOHANSEN. Would the gentleman deny that many Members of this House from New York voted for these subsidies which he is not proposing to throw out?

Mr. O'BRIEN of New York. Exactly; and it is exactly the point that I am making, because we voted in this farm legislation time after time to help—or we thought to help—other people with our taxes, and we did not get very much in return.

I will simply say this, however, New York and the New York police force has the responsibility time after time to meet unusual situations, but it does not come here asking for reimbursement in those situations. New York responded to an extraordinary situation a short time ago, a situation that had an impact on every person in this country.

This is not a precedent. I am sure that New York and its police officers will continue to take care of unusual situations, but in this case what they did was for the benefit of every man and woman in the United States.

Mr. YOUNGER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, a few minutes ago I said I would offer an amendment on behalf of the city of San Francisco. I realize, of course, that an amendment of that kind would be subject to a point of order, and there is no use fanning the air. But I do think that a bill of this kind is going to open the floodgates to a lot of legislation. I think the city of San Francisco and the city of Los Angeles are just as entitled to reimbursement for the extraordinary expense they were put to as is the city of New York.

I think also that this House if it does anything ought to reimburse the city of San Francisco for the expense the city was put to in connection with the riots out there when our own committee met in San Francisco. It cost the city $250,000 to repair the city hall after those riots and pay for the police.

If we are going to open the floodgates all the way through then there is going to be no limit. I think our city of San Francisco is just as justified as is the city of New York.

I was rather surprised at the stand taken by our good colleague from New York to the effect that they now are dissatisfied with the presence of the U.N. headquarters. That seems to be the

substance of their arguments as I gathered it from the colloquies that have taken place here this afternoon.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. LINDSAY. I think the gentleman is not correct in saying there is dissatisfaction with the presence of the U.N. in New York. Speaking as the Member who represents the district where the U.N. is located I feel it is a great benefit to us in every way and we are glad to have it there.

Second, the gentleman's point would be well taken in respect of other cities in the United States, except that the United Nations is a completely sui generis situation. There is nothing like it in the whole of our country. It is the only international body we have, and we are the host country. I think it is hard for Members to realize what it is like to have this heavy concentration of ambassadors to the United Nations in our city, making it in effect a kind of enclave. There is a huge burden involved here. The city of New York is pleased to take up most of that burden, but in this particular instance it was so overwhelmingly and so completely beyond the capacity of the city of New York to pay for, that, because of its international character, we have a right to come to the United States Government and ask for help.

Mr. YOUNGER. Does the gentleman consider that the United Nations there is a violation of the Monroe Doctrine?

Mr. LINDSAY. Not at all. The United States is the host government. Any time representative international institution of this kind is in a country, that country is the host and that country has the obligation to provide police protection. That is basic international law, I might add.

Mr. GROSS. And it makes business good for the Waldorf Astoria and the other hotels in New York to have these foreign Pooh-Bahs throwing our money around.

Mr. YOUNGER. Yes. The benefit far outweighs the $3 million cost. I feel legislation of this kind, regardless of the international aspects of it, is a piece of legislation that will lead to a lot of other bills being offered in the Congress for payment. I do not see how we can justifiedly turn them down.

Mrs. KELLY. Mr. Chairman, I rise in opposition to the pending amendment.

Mr. Chairman, I want to disassociate myself from those who are opposed to the United Nations being in the city of New York. I am happy to have it there, and I hope it will continue its good work.

I should like to bring to the attention of the Members of the House that the city of New York in 1960 paid in revenue to the Federal Government over $5.66 billion. We representatives of the city and State of New York vote, and willingly vote, for aid to every State and city in this Nation, and we will continue to do that regardless of what happens on the floor this afternoon.

I think the pending amendment is not justified. I ask that the amendment be defeated.

Mr. ROONEY. Mr. Chairman, will the gentlewoman yield?

Mrs. KELLY. I yield to the gentleman from New York.

Mr. ROONEY. I should like to compliment the distinguished gentlewoman from New York [Mrs. KELLY], upon her brilliant presentation of this important legislation here today. I should also like to ask if it is not a fact that the meeting of the 15th General Assembly of the United Nations did not actually cost, insofar as police protection was concerned, over $6 million, and that the $3 million plus included in the pending bill would really reimburse the city of New York only to the extent of 50 percent of the actual cost?

Mrs. KELLY. The gentleman is correct. I made that statement in my earlier statement on the floor.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa [Mr. GROSS].

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 76, noes 79.

So the amendment was rejected.

Mr. CELLER. Mr. Chairman, in New York City at the United Nations Assembly in October 1960, there were great tensions. The meeting there of many heads of state created a potentially explosive situation in the city itself. The following list will give some idea of the reason for the excitement. Among those present at the General Assembly were Premier Nikita S. Khrushchev of the U.S.S.R.; President Antonin Novotny of Czechoslovakia; Wladyslaw Gomulka, member of the Council of State and head of the Polish Government; Janos Kadar, Minister of State of Hungary; Todor Zhivkov, member of the Presidium of the Grand National Assembly of Bulgaria; Gheorghe Gheorghiu-Dej, member of the Presidium of the Grand National Assembly of Rumania; Mehmet Shehu, President of the Council of Ministers of Albania; Dr. Andre Sik, Minister of Foreign Affairs of Hungary; Andrei Gromyko, Foreign Minister of the U.S.S.R.; Fidel Castro, Prime Minister of Cuba, and President Broz-Tito of Yugoslavia. During the same period, President Eisenhower, Prime Minister Harold Macmillan of Great Britain, Prime Minister Jawaharlal Nehru of India, President Achmed Sukarno of Indonesia, President Kwame Nkrumah of Ghana, King Hussein of Jordan, President Gamal Abdel Nasser of the United Arab Republic, and Prince Norodom Sihanouk, Chief of State of Cambodia.

A healthy proportion of these men are dictators of countries in which thousands of ancestors and relatives of the citizens of New York suffered and are still suffering the tortures of the intolerably oppressed. Their wild harangues, and caustic and abrasive remarks in the Assembly exacerbated to a marked degree the feelings generated against them. At mass meetings, protesting against the presence of many of these men, scores and scores of resolutions of condemnation were passed. Because of threats, there was reasonable fear for the personal safety of those in attendance at the General Assembly. The United States, through authorities in New York, was duty bound to offer utmost protection to the lives and property of these people—protection from damage to their persons, to embassies, chanceries, ministries, offices, and residences of these men.

Thus, this was an extraordinary burden placed upon the mayor of the city of New York and his police department. But the illustrious mayor of the city promptly recruited police strength and siphoned from other parts of the city of New York, policemen and police reserves so that a great army of police could be concentrated in and around the United Nations all during that exciting period. Many of these brave policemen were required to work overtime. There were many arrests made for disorderly conduct and for even graver crimes. Windows were broken, rotten eggs were thrown. One man attempted to crawl over the United Nations fence with a so-called Molotov cocktail in his possession. If it had exploded, there would have been involved a catastrophe, the implications of which are plainly imaginable. In a particular fracas, as the result of the presence of Castro, a 9-year-old girl was shot and killed in a restaurant near the United Nations. The defendant was convicted. It was during this critical time that New York City was plagued with the so-called Sunday bomber, adding to an already overburdened police responsibility. Fortunately, the bombings were stopped.

Because of the matchless conduct of the police, none of the dignitaries were injured. The good name of the United States remains unimpaired, and the fair name of New York City remains unblemished.

This was done by the city of New York at considerable cost and the bill now being considered would authorize the appropriation of a little over $3 million as payment to the city of New York by way of defraying a portion of the extraordinary and unprecedented expense incurred by the city because of this extra police protection.

I am informed that the State Department has already approved the purpose of this bill. This approval is embodied in a letter sent to the former Speaker of the House, Sam Rayburn by former Secretary of State, Christian A. Herter, under date of January 12, 1961. Under the agreement between the United Nations and the United States regarding the headquarters of the United Nations—see agreement dated June 26, 1947, Public Law 357, 80th Congress, 1st session, 22 U.S.C. 287—we find the following under section 11:

> The Federal, State, or local authorities of the United States shall not impose any impediments to transit to or from the headquarters district of (1) representatives of members or officials of the United Nations. The appropriate American authorities shall afford any necessary protection to such persons while in transit to or from the headquarters district.

And under section 16:

> (a) The appropriate American authorities shall exercise due diligence to insure that the tranquility of the headquarters district is not disturbed by the unauthorized entry

of groups of persons from outside or by disturbances in the immediate vicinity and shall cause to be provided on the boundaries of the headquarters district such police protection as is required for these purposes.

Wherever the phrase "American authorities" is used, it most certainly embraces the Police Department of the city of New York.

While there is no contractual obligation on the part of the United States to pay these extraordinary expenses, there is indeed a moral obligation to reimburse the city of New York. To do otherwise would be inequitable.

Mr. ADDABBO. Mr. Chairman, I rise in support of H.R. 4441 which authorizes an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations.

The Police Department of the city of New York during this period was actually performing a Federal duty and giving protection to avoid any incidents which would be of international importance—they did a magnificent job. Many policemen were required to work beyond their normal hours and during their regular "time off" periods.

I believe this payment would also show our gratitude to one of the finest police enforcement agencies in the United States, the New York City Police Department, for its exemplary conduct under trying circumstances.

The city of New York has on many occasions expended its own funds in the greeting of foreign dignitaries and continues to be a showplace for our country to many world travelers and visitors.

The sum in question should be given to New York City not only as just compensation for added expenses incurred but also in recognition of its endeavors to promote free and cooperative world relationships.

Mr. Chairman, I urge my colleagues to support H.R. 4441.

Mr. JUDD. Mr. Chairman, it is my opinion that the Congress is under obligation to make an ex gratia payment to the city of New York to assist in defraying the extraordinary expenses incurred during the 15th General Assembly of the United Nations. It is hard to approve the bill in the amount of $3,063,500. It should have been reduced to the amount, $1,500,000 approved by both the Eisenhower and the Kennedy administrations. But I believe the other body will make the appropriate reduction if we send the bill to it today; and to recommit the bill would kill it.

Mr. Chairman, during hearings on the bill last year, I inquired into the precise nature of the obligations the U.S. Government assumed when in 1947 it entered into the agreement with the United Nations regarding establishment of the United Nations headquarters in the United States. It is clear under section 25 that, "the United States shall have the ultimate responsibility for the fulfillment of such obligations by the appropriate American authorities."

The "appropriate authorities" in this case are the city of New York and its police force and "such obligations" includes "any necessary protection to such persons while in transit." "Such persons" are of course, the delegates to the U.N. from other countries—in this instance Mr. Khrushchev and his henchmen from practically all of the Communist satellites of the world.

As I said in the hearings, page 54:

We entered into an agreement that gives us ultimate responsibility for providing protection, and if the city of New York cannot do that, the United States has to do it. Because they did do the job, we did not have to do it. Had they not done it, we would have had to.

Mr. Chairman, if New York City had not spent a large additional amount of its own funds for its extra police protection during those weeks, the U.S. Government would have had to do something like send in the Marines—at greater cost. We must congratulate New York City and its police for doing an exceptionally good job of protection, and I think we have no honorable choice except to make this ex gratia payment in fulfillment of an obligation.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. WILLIS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 4441) to authorize the appropriation of $3,063,500 as an ex gratia payment to the city of New York to assist in defraying the extraordinary and unprecedented expenses incurred during the 15th General Assembly of the United Nations, pursuant to House Resolution 575, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. BOW. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BOW. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. Bow moves to recommit to the Committee on Foreign Affairs the bill H.R. 4441.

Mr. BOW. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 143, nays 217, not voting 76, as follows:

[Roll No. 61]

YEAS—143

Abernethy	Belcher	Clancy
Alexander	Bell	Collier
Alger	Bennett, Mich.	Colmer
Andersen, Minn.	Berry	Cramer
	Betts	Cunningham
Anderson, Ill.	Bolton	Curtin
Ashbrook	Bow	Dague
Ashmore	Bray	Davis, James C.
Auchincloss	Bromwell	
Baker	Broomfield	Derwinski
Baldwin	Brown	Devine
Baring	Bruce	Dole
Bass, N.H.	Cederberg	Dominick
Bates	Chamberlain	Downing
Battin	Chenoweth	Durno
Beermann	Church	Ellsworth
Fenton	Latta	Rousselot
Findley	Lipscomb	Saylor
Flynt	McCulloch	Schadeberg
Ford	McDonough	Schenck
Fountain	McSween	Scherer
Fulton	McVey	Schneebeli
Garland	MacGregor	Schweiker
Gary	Mack	Schwengel
Goodling	Martin, Nebr.	Scranton
Griffin	Mathias	Short
Gross	May	Shriver
Gubser	Michel	Sikes
Haley	Milliken	Siler
Hall	Minshall	Smith, Calif.
Hardy	Moeller	Smith, Va.
Harrison, Wyo.	Moore	Springer
Harsha	Moorehead, Ohio	Stafford
Harvey, Ind.		Teague, Calif.
Harvey, Mich.	Morse	Tollefson
Herlong	Mosher	Tuck
Hiestand	Nelsen	Tupper
Hoeven	Norblad	Utt
Hoffman, Ill.	Nygaard	Van Zandt
Horan	O'Konski	Waggonner
Hosmer	Passman	Weaver
Jennings	Pelly	Westland
Jensen	Poff	Whalley
Johansen	Quie	Whitener
Knox	Ray	Williams
Kunkel	Reifel	Wilson, Calif.
Kyl	Rhodes, Ariz.	Winstead
Laird	Rogers, Fla.	Younger
Langen	Roudebush	

NAYS—217

Adair	Green, Oreg.	Norrell
Addabbo	Green, Pa.	O'Brien, N.Y.
Albert	Griffiths	O'Hara, Ill.
Anfuso	Hagan, Ga.	Olsen
Arends	Hagen, Calif.	O'Neill
Ashley	Halpern	Osmers
Aspinall	Harding	Ostertag
Bailey	Harris	Perkins
Bass, Tenn.	Hays	Pfost
Becker	Healey	Philbin
Beckworth	Hébert	Pike
Bennett, Fla.	Hechler	Pilcher
Blatnik	Hemphill	Pillion
Boggs	Henderson	Pirnie
Boland	Holifield	Poage
Bolling	Holland	Price
Bonner	Hull	Pucinski
Brademas	Ichord, Mo.	Purcell
Breeding	Inouye	Randall
Brooks, Tex.	Jarman	Reuss
Broyhill	Joelson	Rhodes, Pa.
Buckley	Johnson, Calif.	Riehlman
Burke, Ky.	Johnson, Md.	Rivers, Alaska
Burke, Mass.	Johnson, Wis.	Roberts, Ala.
Burleson	Jones, Mo.	Roberts, Tex.
Byrne, Pa.	Judd	Robison
Cahill	Karsten	Rodino
Cannon	Karth	Rogers, Tex.
Carey	Kastenmeier	Rooney
Casey	Kelly	Roosevelt
Chelf	Keogh	Rosenthal
Chiperfield	Kilgore	Roush
Cohelan	King, Calif.	Rutherford
Conte	King, N.Y.	Ryan, Mich.
Corman	King, Utah	Ryan, N.Y.
Curtis, Mo.	Kitchin	St. George
Daddario	Kluczynski	St. Germain
Daniels	Kornegay	Santangelo
Davis, John W.	Kowalski	Saund
Delaney	Landrum	Seely-Brown
Dent	Lane	Shelley
Denton	Lankford	Shipley
Derounian	Lesinski	Sisk
Diggs	Libonati	Smith, Iowa
Donohue	Lindsay	Staggers
Dooley	Loser	Steed
Dorn	McDowell	Stephens
Doyle	McFall	Stratton
Dulski	Macdonald	Stubblefield
Dwyer	Madden	Sullivan
Edmondson	Magnuson	Taylor
Elliott	Mahon	Teague, Tex.
Everett	Mailliard	Thomas
Evins	Marshall	Thompson, Tex.
Fallon	Martin, Mass.	Thomson, Wis.
Farbstein	Matthews	Thornberry
Feighan	Merrow	Toll
Fino	Miller, Clem	Trimble
Fisher	Miller, George P.	Udall, Morris K.
Flood		Ullman
Fogarty	Miller, N.Y.	Vanik
Forrester	Mills	Vinson
Frazier	Monagan	Wallhauser
Frelinghuysen	Montoya	Weis
Friedel	Morgan	Wharton
Gallagher	Morris	Wickersham
Garmatz	Moss	Widnall
Gathings	Moulder	Willis
Giaimo	Multer	Wright
Gilbert	Murphy	Young
Glenn	Natcher	Zablocki
Gonzalez	Nedzi	Zelenko
Goodell	Nix	

NOT VOTING—76

Abbitt	Gavin	O'Hara, Mich.
Addonizio	Granahan	Patman
Alford	Grant	Peterson
Andrews	Gray	Powell
Avery	Halleck	Rains
Ayres	Hansen	Reece
Barrett	Harrison, Va.	Rivers, S.C.
Barry	Hoffman, Mich.	Rogers, Colo.
Blitch	Huddleston	Rostenkowski
Boykin	Jonas	Scott
Brewster	Jones, Ala.	Selden
Byrnes, Wis.	Kearns	Sheppard
Celler	Kee	Sibal
Clark	Keith	Slack
Coad	Kilburn	Smith, Miss.
Cook	Kirwan	Spence
Cooley	Lennon	Taber
Corbett	McIntire	Thompson, La.
Curtis, Mass.	McMillan	Thompson, N.J.
Davis, Tenn.	Mason	Van Pelt
Dawson	Meader	Walter
Dingell	Moorhead, Pa.	Watts
Dowdy	Morrison	Whitten
Fascell	Murray	Wilson, Ind.
Finnegan	O'Brien, Ill.	Yates

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Kirwan with Mr. Avery.
Mr. Cooley with Mr. Halleck.
Mr. Morrison with Mr. Meader.
Mrs. Granahan with Mr. Sibal.
Mr. Finnegan with Mr. Byrnes of Wisconsin.
Mr. O'Brien of Illinois with Mr. Barry.
Mr. Harrison of Virginia with Mr. Kearns.
Mr. Rogers of Colorado with Mrs. Reece.
Mr. Thompson of Louisiana with Mr. Kilburn.
Mr. Sheppard with Mr. Van Pelt.
Mr. Lennon with Mr. Keith.
Mr. Moorhead of Pennsylvania with Mr. Curtis of Massachusetts.
Mr. Barrett with Mr. Hoffman of Michigan.
Mr. Clark with Mr. Gavin.
Mr. Dingell with Mr. Corbett.
Mr. Gray with Mr. Jonas.
Mr. Rains with Mr. Ayres.
Mr. Peterson with Mr. McIntire.
Mr. Whitten with Mr. Wilson of Indiana.
Mr. Walter with Mr. Mason.
Mr. Thompson of New Jersey with Mr. Taber.

Mr. NELSEN changed his vote from "nay" to "yea."

Mr. HALPERN changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 207, nays 153, not voting 76, as follows:

[Roll No. 62]

YEAS—207

Addabbo	Burke, Mass.	Dooley
Albert	Burleson	Dorn
Alexander	Byrne, Pa.	Doyle
Anfuso	Byrnes, Wis.	Dulski
Arends	Cahill	Dwyer
Ashley	Cannon	Edmondson
Aspinall	Carey	Elliott
Bailey	Casey	Everett
Bass, Tenn.	Chelf	Evins
Becker	Cohelan	Farbstein
Beckworth	Conte	Feighan
Bennett, Fla.	Cook	Fino
Blatnik	Corman	Fisher
Boland	Curtis, Mo.	Flood
Bolling	Daddario	Fogarty
Bolton	Daniels	Forrester
Bonner	Davis, John W.	Frazier
Brademas	Delaney	Frelinghuysen
Breeding	Dent	Friedel
Brooks, Tex.	Denton	Gallagher
Broyhill	Derounian	Giaimo
Buckley	Diggs	Gilbert
Burke, Ky.	Donohue	Glenn
Gonzalez	Mailliard	Rodino
Goodell	Martin, Mass.	Rogers, Tex.
Green, Pa.	Matthews	Rooney
Griffiths	Meader	Roosevelt
Hagen, Calif.	Merrow	Rosenthal
Halpern	Miller, Clem	Roush
Harding	Miller, George P.	Rutherford
Harris	Miller, N.Y.	Ryan, Mich.
Hays	Mills	Ryan, N.Y.
Healey	Monagan	St. George
Hébert	Montoya	St. Germain
Hechler	Moorhead, Pa.	Santangelo
Henderson	Morgan	Saund
Holifield	Morris	Seely-Brown
Holland	Moss	Shelley
Inouye	Moulder	Sisk
Jarman	Multer	Smith, Iowa
Joelson	Murphy	Staggers
Johnson, Calif.	Natcher	Steed
Johnson, Md.	Nix	Stephens
Judd	Norrell	Stratton
Karsten	O'Brien, N.Y.	Stubblefield
Karth	O'Hara, Ill.	Sullivan
Kastenmeier	O'Hara, Mich.	Teague, Tex.
Kelly	Olsen	Thomas
Keogh	O'Neill	Thompson, N.J.
Kilgore	Osmers	Thompson, Tex.
King, Calif.	Ostertag	Thomson, Wis.
King, N.Y.	Perkins	Thornberry
King, Utah	Pfost	Toll
Kitchin	Philbin	Trimble
Kluczynski	Pike	Udall, Morris K.
Kornegay	Pilcher	Ullman
Kowalski	Pillion	Vanik
Landrum	Pirnie	Vinson
Lane	Poage	Wallhauser
Lankford	Powell	Weis
Lesinski	Price	Wharton
Libonati	Pucinski	Wickersham
Lindsay	Randall	Widnall
Loser	Reuss	Willis
McDowell	Rhodes, Pa.	Wright
McFall	Riehlman	Young
Macdonald	Rivers, Alaska	Zablocki
Madden	Roberts, Ala.	Zelenko
Magnuson	Robison	
Mahon		

NAYS—153

Abernethy	Fulton	Moorehead, Ohio
Adair	Garland	Morse
Alger	Gary	Mosher
Andersen, Minn.	Gathings	Nelsen
Anderson, Ill.	Goodling	Norblad
Ashbrook	Griffin	Nygaard
Ashmore	Gross	O'Konski
Auchincloss	Gubser	Passman
Baker	Hagan, Ga.	Pelly
Baldwin	Haley	Poff
Baring	Hall	Purcell
Bass, N.H.	Hardy	Quie
Bates	Harrison, Wyo.	Ray
Battin	Harsha	Reifel
Beermann	Harvey, Ind.	Rhodes, Ariz.
Belcher	Harvey, Mich.	Roberts, Tex.
Bell	Hemphill	Rogers, Fla.
Bennett, Mich.	Herlong	Roudebush
Berry	Hiestand	Rousselot
Betts	Hoeven	Saylor
Bow	Hoffman, Ill.	Schadeberg
Bray	Horan	Schenck
Bromwell	Hosmer	Scherer
Broomfield	Hull	Schneebeli
Brown	Ichord, Mo.	Schweiker
Bruce	Jennings	Schwengel
Chamberlain	Jensen	Scranton
Chenoweth	Johansen	Shipley
Chiperfield	Johnson, Wis.	Short
Church	Jones, Mo.	Shriver
Clancy	Knox	Sibal
Collier	Kunkel	Sikes
Colmer	Kyl	Siler
Cramer	Laird	Smith, Calif.
Cunningham	Langen	Smith, Va.
Curtin	Latta	Springer
Dague	Lipscomb	Stafford
Davis, James C.	McCulloch	Taylor
Derwinski	McDonough	Teague, Calif.
Devine	McSween	Tollefson
Dole	McVey	Tuck
Dominick	MacGregor	Tupper
Downing	Mack	Utt
Durno	Marshall	Van Zandt
Ellsworth	Martin, Nebr.	Waggonner
Fenton	Mathias	Weaver
Findley	May	Westland
Flynt	Michel	Whalley
Ford	Milliken	Whitener
Fountain	Minshall	Winstead
	Moeller	Younger
	Moore	

NOT VOTING—76

Abbitt	Ayres	Boykin
Addonizio	Barrett	Brewster
Alford	Barry	Cederberg
Andrews	Blitch	Celler
Avery	Boggs	Clark
Coad	Hoffman, Mich.	Reece
Cooley	Huddleston	Rivers, S.C.
Corbett	Jonas	Rogers, Colo.
Curtis, Mass.	Jones, Ala.	Rostenkowski
Davis, Tenn.	Kearns	Scott
Dawson	Kee	Selden
Dingell	Keith	Sheppard
Dowdy	Kilburn	Slack
Fallon	Kirwan	Smith, Miss.
Fascell	Lennon	Spence
Finnegan	McIntire	Taber
Garmatz	McMillan	Thompson, La.
Gavin	Mason	Van Pelt
Granahan	Morrison	Walter
Grant	Murray	Watts
Gray	Nedzi	Whitten
Green, Oreg.	O'Brien, Ill.	Williams
Halleck	Patman	Wilson, Calif.
Hansen	Peterson	Wilson, Ind.
Harrison, Va.	Rains	Yates

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Kirwan for, with Mr. Van Pelt against.
Mr. O'Brien of Illinois for, with Mr. Whitten against.
Mr. Walter for, with Mr. Corbett against.
Mr. Celler for, with Mr. Harrison of Virginia against.
Mr. Addonizio for, with Mr. Kearns against.
Mr. Sheppard for, with Mr. Williams against.
Mr. Cooley for, with Mr. Kilburn against.
Mr. Morrison for, with Mr. Cederberg against.
Mr. Garmatz for, with Mr. Alford against.
Mr. Barry for, with Mrs. Reece against.
Mr. Boggs for, with Mr. Gavin against.
Mr. Fallon for, with Mr. Wilson of Indiana against.
Mr. Keith for, with Mr. Hoffman of Michigan against.

Until further notice:

Mr. Finnegan with Mr. McIntire.
Mr. Lennon with Mr. Halleck.
Mr. Brewster with Mr. Jonas.
Mr. Clark with Mr. Mason.
Mrs. Granahan with Mr. Taber.
Mr. Dingell with Mr. Curtis of Massachusetts.
Mr. Dowdy with Mr. Avery.
Mr. Gray with Mr. Ayres.
Mr. Rogers of Colorado with Mr. Wilson of California.

Mrs. BOLTON changed her vote from "nay" to "yea."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PERSONAL ANNOUNCEMENT

Mr. WILSON of California. Mr. Speaker, I was not in the Chamber when this last vote was taken. Had I been present, I would have voted "yea."

AMENDMENT OF SECTION 204 OF AGRICULTURAL ACT OF 1956

Mr. ELLIOTT, from the Committee on Rules, reported the following privileged resolution (H. Res. 589, Rept. No. 1555), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10788) to amend section 204 of the Agricultural Act of 1956. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be

equally divided and controlled by the chairman and ranking minority member of the Committee on Agriculture, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

REPORT ON H.R. 1159 TO AMEND THE MERCHANT MARINE ACT OF 1936

Mr. COLMER, from the Committee on Rules, reported the following privileged resolution (H. Res. 590, Rept. No. 1556) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 1159) to amend the Merchant Marine Act, 1936, in order to eliminate the 6 per centum differential applying to certain bids of Pacific coast shipbuilders, and all points of order against said committee amendments printed in the bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

LEGISLATIVE PROGRAM

Mr. ARENDS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ARENDS. Mr. Speaker, I have asked for this time in order to inquire of the majority leader as to what the legislative program is.

Mr. ALBERT. In response to the inquiry of the gentleman, may I advise the House that there is no further business for the balance of this week.

The program for next week is as follows:

Monday is District Day. There is no District of Columbia business.

Tuesday, H.R. 10788, a bill to amend section 204, Agriculture Act of 1956 relating to the regulation of textile imports will be called up.

On Tuesday there is an Illinois primary and any rollcall votes except on rules on Monday or Tuesday will go over until Wednesday.

Wednesday, the legislative appropriation bill for 1963 will be called up.

Thursday and the balance of the week, H.R. 1159—vessels, 6-percent differential, Pacific coast shipbuilders.

There is the usual reservation, of course, that conference reports may be brought up at any time.

Any further legislative program will be announced later. I would like to advise the House that we expect to be able to announce additional business for next week sometime early in the week.

Mr. ARENDS. Will the gentleman give us any information, if he has any available information, concerning the Easter time recess. Can he fill us in a little about that at this time?

Mr. ALBERT. The Easter recess will begin at the close of business on Thursday, April 19. We are not able to advise the House at this time as to the duration of the Easter recess, but I hope to be able to give my colleague and the House this information early next week.

Mr. ARENDS. Might I express the hope that the news you give us will be good news?

Mr. ALBERT. I share the hope of the gentleman.

Mr. ARENDS. I thank the gentleman.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON APRIL 11 AND 18

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule may be dispensed with on Wednesday, April 11 and Wednesday, April 18.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

ADJOURNMENT TO MONDAY, APRIL 9, 1962

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

Mr. GROSS. Mr. Speaker, reserving the right to object, do I understand that the appropriation bill is being carried over from next Tuesday to next Wednesday?

Mr. ALBERT. The gentleman is correct.

Mr. GROSS. And that is because of a city election somewhere?

Mr. ALBERT. It is not a city election according to my understanding.

Mr. GROSS. Is it a State primary?

Mr. ALBERT. If I am properly informed, it is the Illinois primary.

Mr. GROSS. That is a statewide primary?

Mr. ALBERT. That is my understanding.

Mr. GROSS. And not a municipal election?

Mr. ALBERT. That is my understanding. We do not customarily put over rollcall votes otherwise.

POSTPONEMENT OF ROLLCALL VOTES TO WEDNESDAY NEXT

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, while we are on that subject, I ask unanimous consent that any rollcall votes except on rules and on procedural matters and, of course, this does not apply to quorum calls, on Tuesday next may be put over until Wednesday.

Mr. GROSS. Mr. Speaker, still reserving the right to object, I have been through this parliamentary process before and I have lost the floor by yielding for unanimous consent requests.

Mr. ALBERT. I asked the gentleman if he would yield.

Mr. GROSS. Yes, and I am still reserving the right to object to this request, Mr. Speaker. Now there will be no session tomorrow, on Friday; is that correct?

Mr. ALBERT. That is correct.

Mr. GROSS. I assume that is very much in order in view of the fact that the New York delegation will want a long weekend to celebrate having obtained $20 million from the U.S. Treasury in the last 2 days. I know that the Federal Treasury is busted and will borrow several billion dollars this year. I had not previously known that New York City could not pay its bills; that it was so poverty stricken it could not pay for its own promotions. The best news of the day is that there will be an Easter recess. I plan to go home and commiserate with the taxpayers of the district I represent.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. There are two consent requests pending. The gentleman from Oklahoma asks unanimous consent that when the House adjourns today it adjourn to meet on Monday next. Is there objection?

There was no objection.

VOTES POSTPONED TO WEDNESDAY, APRIL 11, 1962

The SPEAKER. The gentleman from Oklahoma asks unanimous consent that any vote had on Monday or Tuesday of next week, except on a rule or quorum calls be postponed to Wednesday. Is there objection?

There was no objection.

POORLY PRINTED HEARINGS

Mrs. BOLTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentlewoman from Ohio?

There was no objection.

Mrs. BOLTON. Mr. Speaker, I wish you and the Members would look at the hearings that have just come to the floor on the bill H.R. 4441 and see how you can read them. They are so badly printed that it is practically impossible to read some pages at all. I would like to suggest that something be done about a poor job like this. If the machinery is no good, throw it out and get new. If the paper is too thin, print it on better stock, but let the work be of such nature that we can read it and use it when it comes to us.

AMEND UNITED STATES CODE TO IMPROVE ADMINISTRATION OF JUSTICE AND DISCIPLINE IN ARMED FORCES

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. PHILBIN. Mr. Speaker, at the request of the American Legion, I have today introduced a bill to amend title 10, United States Code, in order to improve the administration of justice and discipline in the Armed Forces, and for other purposes.

This bill was originally introduced in the 86th Congress by my beloved and esteemed late colleague, the Honorable Overton Brooks.

The bill is designed to improve the system of justice and discipline for all the Armed Forces and I am hopeful that it may be assigned for early hearings so that the views of the Department of Defense, the individual services, the American Legion and other veterans' organizations, and all interested parties may be adduced and suitable legislation provided to improve the code and strengthen the system of justice for all the armed services.

TRANSPORTATION MESSAGE AND 75TH ANNIVERSARY OF INTERSTATE COMMERCE COMMISSION

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and that my remarks may be included in the RECORD at the point immediately following the message of the President on transportation this morning, and I ask unanimous consent to include in my remarks a brief speech I made this morning in connection with exercises celebrating the 75th anniversary of the Interstate Commerce Commission.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

SUPPLEMENTAL AIR CARRIERS

Mr. WALTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. WALTER. Mr. Speaker, I have introduced today a bill to terminate the operating authority of the supplemental air carriers.

It has been repeatedly pointed out on the floor of the House, in the report of the Committee on Interstate and Foreign Commerce on S. 1969, by Members of the other body, and by the U.S. Court of Appeals for the District of Columbia that the operating certificates of these carriers are illegal.

The Congress in Public Law 86–661 generously granted a 20-month reprieve to consider whether the supplemental airlines should be continued and, if so, on what basis. During this 20-month period of investigation and deliberation, it became clear that the vast majority of the members of this supplemental group are unfit for a variety of reasons which include law violations, unsafe and negligent operations, substandard maintenance, unsound financial conditions, and false and fraudulent filings with the Civil Aeronautics Board or the FAA.

These supplemental operations have resulted in shocking airline disasters at Richmond, at Toledo, at Shannon, and elsewhere.

The supplementals have evaded over a million dollars in Federal taxes and defaulted on hundreds of thousands of dollars of debt owed to the Government for fuel and supplies.

The supplementals have stranded passengers abroad, illegally rebated tickets, delayed or completely failed to make passenger refunds. Their schedule reliability has been substandard.

The supplemental combines have systematically flaunted the law and operated scheduled service illegally.

Mr. Speaker, the details of all these violations have been set forth at length on the floor of Congress, before several congressional committees, and in the press, and are well known. I will not, therefore, go into any further details at this time.

The House passed a supplemental bill in the last session of Congress which with certain additional strengthening provisions constitutes a reasonable solution. The other body passed a bill which includes three grants of authority to the supplementals which are unacceptable. There is no public need for the authority. There is no economic need by the supplementals for the authority. These three grants would embroil the airline industry in ceaseless abuse and litigation and would invalidate the safety and enforcement amendments sorely needed to reform the supplementals.

In the meantime, the 20-month reprieve has expired. The supplementals are operating under their illegal certificates pending Supreme Court review or enactment of permanent legislation.

My investigations of the supplementals raised grave doubts in my mind whether there is any justification for the existence of the supplemental carriers. I now have no doubts.

Mr. Speaker, the Congress faces a grave problem. These supplemental carriers cannot be permitted to continue their present illegal and dangerous operations. Neither can we accept the Senate position. Under these circumstances the bill which I have today introduced is the only means by which we can protect the public, and maintain order in the Nation's air transportation system.

Mr. ROUSSELOT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROUSSELOT. Mr. Speaker, I rise to support the bill introduced today by the gentleman from Pennsylvania, Representative FRANCIS WALTER, providing for termination of supplemental air carrier certificates issued by the Civil Aeronautics Board. It is my understanding that the certificates would become null and void within 60 days after the date of enactment of the bill.

I know my distinguished colleague from Pennsylvania has been very much concerned, as I have been, about the unsound financial arrangements and unsafe flying practices of supplemental air carriers.

That the CAB has allowed these carriers to continue doing business even though Public Law 86–661 expired on March 14 last is indeed disturbing—this law gave congressional sanction to supplemental air carrier certificates issued by the CAB only until the expiration date. To my mind, the CAB has demonstrated casual disregard for the will of Congress as expressed in Public Law 86–661.

Mr. WALTER's bill certainly reflects my views relative to what should be done about supplemental air carriers now doing business. I compliment my distinguished colleague for introducing this necessary and entirely appropriate measure.

THE LONG-AWAITED MESSAGE ON TRANSPORTATION IS FINALLY BEFORE THE CONGRESS

Mr. VAN ZANDT. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. VAN ZANDT. Mr. Speaker, now that the President's long-awaited message on transportation is before the Congress, I trust that we may finally get on with the vitally urgent task of making sense out of this Nation's muddled and often contradictory transportation policies and laws.

Although some of us may disagree as to detail, we would all agree, I believe, with the central thesis of the President's message that transportation is absolutely vital to the Nation's economy and security, that major segments of transportation are in serious trouble, that their troubles derive in no small part from the failure to gear transportation policies and laws to changing conditions and needs, and that further delay in arriving at sound solutions would seriously jeopardize our essential common carrier system to the detriment of the Nation as a whole.

Essentially the same warnings have been sounded by many of us in the Congress for years, and it is most

heartening to find that the administration's independent analysis has reached substantially the same conclusions.

Especially commendable, I believe, is the President's recognition of the numerous grave inequities which exist in transportation as the result of what he has properly described as a chaotic patchwork of inconsistent and often obsolete legislation and regulation. Clearly, the agricultural and bulk commodities exemptions to which the President refers are outstanding examples of these inequities and warrant the earliest attention by Congress.

Other and equally grave inequities result, as the President has also pointed out, from the use by commercial carriers of publicly provided transportation facilities either entirely without charge or without fair and adequate charge. As to this and many of the other inequities referred to in the President's message, I wish to point out, Mr. Speaker, that corrective legislation, largely embodying the principles and approach which the President recommends, already have been introduced in both Houses of the Congress and await only our attention.

On the subject of user charges on inland waterways, for example, I have introduced H.R. 586 and H.R. 2963. Repeal of the bulk and agricultural commodity exemptions or extension of the exemptions to railroads are provided for in H.R. 1823, H.R. 1824, and H.R. 5595. Repeal of the 10-percent Federal tax on passenger fares, also recommended by the President, is the objective of H.R. 142 and no fewer than 18 other House bills. In fact, in the President's message, there is scarcely a single recommendation or problem that is not also the subject of one or more concrete proposals now before us.

The President has appropriately pointed out that the difficulty and the complexity of these basic troubles will not correct themselves with the mere passage of time and that the Nation cannot afford further delay in arriving at sound solutions. I could not agree more. And I would add, as I have on other occasions, that failure by Congress to come to grips with these basic problems now would constitute gross dereliction of duty and abdication of responsibility, to the detriment of the great American public, whose interests we are sworn to uphold.

IMPLEMENT THE FEDERAL FLOOD INSURANCE ACT OF 1956

Mr. WALLHAUSER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks and include a resolution of the New Jersey State Legislature.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WALLHAUSER. Mr. Speaker, I would like to call the attention of the Members to a joint resolution adopted by the Legislature of the State of New Jersey.

This resolution concerns the Federal Flood Insurance Act of 1956 and calls attention to the fact that the Congress of the United States has failed to appropriate the funds necessary to implement the act.

In its resolution, the State legislature calls upon the Congress to enact the legislation necessary to fully implement the act. I fully concur with this request.

Such an action, I firmly believe, will be in the common interests of all of the States of our Union and its peoples.

Under unanimous consent, I include the text of the resolution, adopted by the State Legislature of New Jersey, at this point in the RECORD:

JOINT RESOLUTION MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ENACT LEGISLATION TO IMPLEMENT THE FEDERAL FLOOD INSURANCE ACT OF 1956

Whereas the Congress of the United States, in 1956, enacted the Federal Flood Insurance Act of 1956; and

Whereas the Congress found in said act that "in the case of recurring natural disasters, including recurring floods, insurance protection against individual and public loss is not always practically available through private or public sources"; and

Whereas the avowed purpose of said act was to establish a program of Federal insurance and reinsurance against the risk of floods and to encourage private insurance covering such flood risks; and

Whereas the Congress of the United States has heretofore failed to appropriate the funds necessary to implement the Federal Flood Insurance Act of 1956; and

Whereas since 1956 there have been numerous disasters, storms, and floods in many of the States of this Nation, causing untold damage to public and private property; and

Whereas in the State of New Jersey, as a result of the storm and flood of March 1962 alone, the damage to public and private property will exceed $100 million; and

Whereas the public and private losses suffered as a result of such storms and floods has caused widespread distress and hardship adversely affecting the general welfare without regard to State boundary lines; and

Whereas much of said distress and hardship could have been avoided, reduced or guarded against if the Federal Flood Insurance Act of 1956 had been properly and adequately implemented at the time of its original passage; and

Whereas it is in the common interest of all of the States of this Nation to support the program of insurance protection provided for in the Federal Flood Insurance Act of 1956; and

Whereas the President of the United States has stated his approval of this program and willingness to implement its provisions as soon as the necessary funds are provided: Now, therefore, be it

Resolved by the Senate and General Assembly of the State of New Jersey:

1. The Congress of the United States is memorialized to enact the legislation necessary to fully implement the Federal Flood Insurance Act of 1956.

2. The Secretary of State shall transmit forthwith a duly attested copy of this resolution to the Secretary of the Senate of the United States, the Clerk of the House of Representatives of the United States, the Senators from New Jersey, and to each Member of the House of Representatives of the United States elected from New Jersey.

3. This joint resolution shall take effect immediately.

H.R. 11072, A BILL TO AMEND THE INTERSTATE COMMERCE ACT

Mr. KING of Utah. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Utah?

There was no objection.

Mr. KING of Utah. Mr. Speaker, having introduced H.R. 11072, the bill to amend the Interstate Commerce Act in order that coal pipeline companies may be granted the privilege of eminent domain, I should like to explain the need for quick congressional action on this measure.

One of the few industries to keep the price of its product static through the long siege of inflation during recent years, the Nation's bituminous coal industry has unfortunately failed to benefit materially from the outstanding service. The average selling price of coal at the mine was $4.99 per ton in 1947. Despite a very substantial increase in coal industry wages and in the costs of equipment and supplies, that very same product is now available at the mine for $4.67 per ton. Actually, it is not the same product; it is a better, more efficient product inasmuch as preparation plants that have been put into service over the past 15 years greatly improve coal's combustion efficiency.

What has been happening to the coal industry as a consequence of its willingness to invest in the interest of progress? While the average man-day output of bituminous coal has moved from 6.26 tons per man-day in 1938 to more than 13 tons at the present time, coal sales do not in any way reflect the coal industry's successful efforts to modernize, and to offer a better product, and hold prices far below the general index. In 1947 the bituminous coal industry established a new production record, 630 million tons, and the following year the total output was just short of 600 million tons.

For a number of reasons over which the industry itself has no control, a lack of demand kept bituminous coal production at scarcely 400 million tons in 1961. Meanwhile, total energy requirements have risen 34.9 percent since 1948.

In view of the fact that there is not going to be any stopping the spiraling demands for energy—not only to take care of increasing population but also to provide better standards of living—coal must find a means of capturing its share of the growing markets if the industry is to remain sound, if it is to be ready under emergency conditions, and if it is to be depended upon over the long range.

One way for coal to assert itself in new markets is for it to keep its delivered price down below the cost of energy equivalent from other fuels. A step in this direction took place several years ago when a 110-mile coal pipeline was put into operation in eastern Ohio. Since that time it has been transporting more than a million tons of coal an-

nually to an electric utility plant. Engineers have decided that this method of transportation is feasible and practical over much longer distances and over almost any type of terrain. Presently there is under consideration a plan to connect the electric utility markets of the east coast with the coal fields of West Virginia by a pipeline.

Mr. Speaker, last month a number of coal industry representatives presented testimony to the California Public Utilities Commission regarding the availability of coal for use in that State. Witnesses included Mr. W. J. O'Connor, president of the Independent Coal and Coke Co., of Salt Lake City, and Mr. Earl Evans, president of the Utah-Wyoming Coal Operators Association. Several methods of making electric power from Rocky Mountain coal available on the west coast were discussed, and it is generally conceded that in the not too distant future California will be an important coal customer.

I want to help establish this new market for intermountain coal as quickly as possible. Construction of the pipeline from our coal fields to California will forge an important link between our great coal resources and coast markets. Certainly if a coal pipeline will work in the East, it will work in the West. I feel it is important at least that Congress open the way for such an undertaking by giving to the coal carrier the same right of eminent domain that is already available to oil and gas pipelines. I recognize that there has been some opposition in State capitals of the East to granting this privilege, but I do not anticipate any such attitude in our part of the country. At the present time there is no coal being moved to California, so no other method of transportation would lose business if a coal pipeline were created to bring our product to the Pacific coast. It would be all new business and its beneficial impact upon the economy of our mining regions would be a welcome development for Utah. Our State's rich veins contain 46 billion tons of recoverable coal reserves, and we want to see our coal industry revived. The 7½ million tons of coal produced in Utah in 1947 dwindled to 4½ million tons in 1960 and recovered only slightly last year. I know that my colleagues can appreciate the injurious effects on the economy that come when business is off to this extent. Whatever new measures can be introduced to enable our coal industry to recover should be explored closely and acted upon as quickly as possible. I believe that the pipeline has great potential and that Congress should approve of H.R. 11072 quickly and positively.

FLYING HORSE

Mr. McVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. McVEY. Mr. Speaker, apparently, Sardar has more influence than a Congressman. Yesterday, as shown on page 5929 of the CONGRESSIONAL RECORD, I asked for and was given permission to speak out of order and addressed the House about the fact that I had been refused a seat on a regularly scheduled Military Air Transport Service plane flying to Greece where I had hoped to plead for the life of one of my constituents who is imprisoned there, awaiting execution before a firing squad. I was refused transportation because I am not a military reservist. I went on to point out that the First Lady's gift horse, the honorable Sardar, was being flown from Pakistan to the United States by this same Military Air Transport Service, as reported in the Washington Post. My inquiry then was whether or not Sardar is a reservist or merely in reserve.

Today, when I sought to read about the exploits of Sardar in the CONGRESSIONAL RECORD, I discovered that my remarks are not printed. Frankly, this is not surprising in view of the fact that my speech was not ghostwritten by Ted Sorenson, the man who has generously offered to plug, er, excuse me, I mean ghostwrite about the Kennedy family for members of the press. But then, of course, I realize that Sardar must be a horse of unbridled influence, and I am wondering if the President is horsing around with the idea of creating a Department of Horse Affairs and naming the honorable Sardar to the new Cabinet, er, post position, which would no doubt be a stable position in this administration.

On the other hand, Mr. Speaker, with Attorney General Bobby flying around the world, maybe the administration seeks to attempt to balance the budget by utilizing this flying gift horse, in which event perhaps the Congress should not look a gift horse in the mouth. Thus, on second thought, I offer my humblest apologies to the honorable Sardar and I further suggest, in the interest of economy, that he sow his wild oats in the rose garden.

ANNOUNCEMENT

Mr. McDOWELL. Mr. Speaker, on Monday, April 2, I was absent from the House on official business. Had I been present on rollcalls Nos. 54 and 55 I would have voted "yea."

GOV. NORMAN ERBE, OF IOWA, PROTESTS REALINEMENT OF 34TH INFANTRY DIVISION AND 103D INFANTRY DIVISION

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, immediately on the heels of the Department of Defense notice that certain National Guard and Reserve units will be realined, all members of the Iowa delegation received a telegram from the Honorable Norman Erbe, Governor of Iowa, expressing his shock and surprise that the 34th Infantry Division and the 103d Infantry Division are among those selected for realinement. Under leave to extend remarks, we, the Members of Congress, wish to call attention to Governor Erbe's telegram and to express our concern about this action. We feel that final action should not be taken until these plans can be reviewed in detail by the appropriate committees in Congress, at which time public hearings can be held and the spokesmen for the people most directly affected given an opportunity to testify on the implications of this move.

We are sure that Governor Erbe, as well as other midwestern Governors, will want to testify, and we will surely want to reserve time to express ourselves in more detail than time permits today.

The Governor's telegram follows:

DES MOINES, IOWA.

HON. FRED SCHWENGEL,
U.S. Representative,
House Office Building,
Washington, D.C.:

I have been advised that news has been released that the Department of Defense and the Army are reported ready to send to Congress a plan eliminating four National Guard and four Reserve divisions and that the divisions considered most in jeopardy include the 34th Infantry Division, a National Guard division, and the 103d Infantry Division, a Reserve division, major parts of which division are located in the State of Iowa. I am shocked that the Department of Defense would consider eliminating the 34th Infantry Division, a famous National Guard division, with more days of combat credit in World War II than any other division in the American Army.

Units of the Army National Guard in my State are at the highest levels of mobilization readiness ever achieved. Eliminating these two divisions from the troop list is certainly not in keeping with the maintenance of the national defense posture in the face of the present critical world situation. I respectfully urge immediate reconsideration of this action.

NORMAN E. ERBE,
Governor of Iowa.

REPORT OF CAB ON SOURDOUGH AIR TRANSPORT

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROUSSELOT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ROUSSELOT. Mr. Speaker, there has come to my attention a report—Docket No. 12026—recently issued by the Civil Aeronautics Board which reveals the precarious financial condition of Sourdough Air Transport, a supplemental air carrier. This report substantiates my belief that the CAB has been lax in enforcing its economic rules and regulations respecting supplemental air carriers.

In light of S. 1969, a bill to provide for a permanent class of supplemental air carriers, which has gone to conference, I think my colleagues in Congress will be interested in the CAB report. Under leave to revise and extend my remarks, I include the report at this point in the RECORD:

CIVIL AERONAUTICS BOARD, WASHINGTON, D.C.—SOURDOUGH AIR TRANSPORT, DOCKET No. 12026

IN THE MATTER OF THE APPLICATION OF SOURDOUGH AIR TRANSPORT FOR RENEWAL OF ITS CERTIFICATE AS A SUPPLEMENTAL AIR CARRIER

Initial decision of Examiner Richard A. Walsh served April 2, 1962, upon John J. Klak, Klak & Gerth, 1028 Connecticut Avenue NW., Washington, D.C., for Sourdough Air Transport; George N. Kenyon, Jr., Civil Aeronautics Board, Washington, D.C., for the Bureau of Economic Regulation.

Exceptions to this decision may be filed within 10 days after the date of service. If exceptions are filed, briefs may be filed within a further period of 10 days. If no exceptions are filed, the decision shall become the decision of the Board 20 days after expiration of the time for filing exceptions unless the Board, within said 20-day period, makes an order constituting its final disposition of the proceeding or providing for further review.

INITIAL DECISION OF EXAMINER RICHARD A. WALSH

Preliminary statement: This proceeding involves the application of Sourdough Air Transport, Inc. (Sourdough), for renewal of its certificate of public convenience and necessity authorizing it to engage in supplemental air transportation. Sourdough was issued its certificate on January 28, 1959, in the Large Irregular Air Carrier Investigation [1] for a period of 2 years from the date of issuance. Although the certificate would have expired on January 28, 1961, it was continued in force under section 9(b) of the Administrative Procedure Act by the timely filing of an application for renewal on January 6, 1961. Leave to intervene was granted to American Airlines, Inc., Northwest Airlines, Inc., Pan American World Airways, Inc., and Trans World Airlines, Inc.

After due notice to the public and to all interested parties public hearings were held in Seattle, Wash., and in Washington, D.C., and briefs have been filed by applicant, TWA, and Bureau counsel.

The issues: The only issue in this proceeding is whether Sourdough now possesses the necessary qualifications under section 401 of the Federal Aviation Act of 1958, as amended, to warrant the renewal of its certificate to engage in supplemental air transportation. The Board in its decision in the Large Irregular Air Carrier Investigation, supra, authorized one group of carriers to engage in such service for a period of 5 years and another group of carriers whose qualifications were less impressive for a period of 2 years. Its purpose in limiting the latter group to 2-year authorizations was to permit reexamination and review at the end of such period of the qualifications of this group of carriers, without reference to the question of need for the service, to determine whether they were still qualified to engage in such transportation.

Sourdough was awarded a certificate for the shorter period because its overall qualifications were borderline in nature. Although it had been inactive for several years prior to the Board's decision, its good compliance record and proposal for resumption of service weighed heavily in its favor and served to compensate to a considerable extent for its somewhat unimpressive overall qualifications.

Description of applicant: Sourdough is a partnership consisting of Anton R. Johansen and his wife, Dorothy V. Johansen. Its principal office is located at their home address in Seattle, Wash. Both Mr. and Mrs. Johansen participate actively in the carrier's operation. Both have backgrounds of experience with various Alaskan air carriers dating back to 1931. Mr. Johansen has been general manager of Sourdough since 1947 and Mrs. Johansen has been his assistant.

When Sourdough presented its evidence in the Large Irregular Carrier case in the fall of 1955 it owned one wrecked DC–3 aircraft which Mr. Johansen purchased in the preceding July for $75. This airplane was carried on Sourdough's books at a value of $200,000. It has not since been repaired and at the present time parts of the aircraft are located in Nome, Alaska, Los Angeles, and Seattle. During the hearing of his case in 1955 Mr. Johansen estimated the cost of repairing this aircraft at $50,000. It was to have been repaired immediately but nearly 7 years have passed and still it has not been done. In view of the age of the aircraft, the locations of its parts, the cost of putting it in flyable condition, and the limited resources of Sourdough and the Johansens, there is considerable room for doubt that this aircraft will ever be repaired. Another DC–3 aircraft allegedly owned by Mr. Johansen's wholly owned Kearn, Inc., was damaged in an accident in 1955 while under lease to Currey Air Transport. This aircraft was partly repaired by Volitan Aviation, Inc., but nothing further has been done on it since 1957. However, regardless of the present condition of this aircraft, it would not be available to Sourdough in any event since Mr. Johansen pledged it as security for a $5,000 loan from the Insurance Finance Corp. of California, which has not been repaid and title thereto has since passed to the finance company. Accordingly, neither at present nor in the foreseeable future would either of these aircraft be available to Sourdough for use in supplemental service. Another aircraft, a DC–4, was being held in trust by Mr. Johansen for Mr. T. D. Smith. This aircraft was being operated under lease by Stewart Air Service and no contention was made that it would be available to Sourdough for use in its service.

Operations since January 1959: Since receiving its certification in January 1959 Sourdough has operated in only 10 of the 36 months which followed. Only 10 round-trip flights were operated during the entire year 1959. These were alleged charter flights operated between Burbank, Calif., and Las Vegas, Nev., for the Dunes Hotel in August 1959. This operation terminated when its leased aircraft was damaged in an accident and returned to its owner.

During July through November 1960 Sourdough operated approximately 56 flights, most of them for the Forest Service, under an oral agreement with Flightcraft, Inc., of Portland, Oreg. Pursuant to this agreement Sourdough on or about June 26, 1960, leased a DC–3 aircraft from Flightcraft and on the following August 1 it negotiated a passenger agent agreement with Flightcraft appointing the latter Sourdough's agent for the solicitation and development of passenger business. The negotiations which led to these agreements began some time in May 1960 following an unsuccessful effort by Flightcraft to obtain a part 45 operator's certificate from the Federal Aviation Agency. Its application for such certificate was rejected because of the common carriage implication of the service which Flightcraft contemplated operating. Prior to the rejection of its application the U.S. Forest Service had indicated an interest in utilizing its DC–3 aircraft acquired earlier at a bankruptcy sale, if and when Flightcraft obtained a part 45 certificate. After its rejection Flightcraft approached Mr. Johansen with a plan to conduct operations under Sourdough's certificate which Mr. Johansen thought might not be permissible so the leasing arrangement and passanger agency agreement were agreed upon instead. Under its arrangement with Sourdough, Flightcraft was able to engage in all of the services which it had theretofore been unable to operate including those for the U.S. Forest Service and various colleges in the Pacific Northwest which Flightcraft had solicited prior to its arrangement with Sourdough.

The lease for the DC–3 is more or less the standard dry lease obligating the lessee to pay all of the operating expenses of the aircraft, including insurance premiums and maintenance charges. Mr. Johansen testified that Sourdough paid all of the expenses incident to the operation but the evidence points quite clearly to the contrary. During the time this arrangement was in effect all revenues received from the operation were deposited in Flightcraft's account and all operating expenses were paid from this account. Operations were conducted out of Flightcraft's base at Portland and all crew members with the exception of one individual had been employees of Flightcraft immediately prior to the consummation of its arrangement with Sourdough. Flightcraft obtained aircraft insurance, paid the insurance premiums, and provided maintenance for the aircraft. A record of all revenues and expenses incident to the operation was kept as part of its own bookkeeping system at its office in Portland. Flightcraft prepared and sent billings to Sourdough customers in its own name and it prepared the withholding tax statements for all of the employees used in the service.

All of the traffic allegedly carried by Sourdough was solicited and provided by Flightcraft. Nearly all of the service was performed for the Forest Service and for certain members of the Northwest Conference of Colleges which was either solicited or arranged for by Flightcraft before entering into its agreement with Sourdough. Flightcraft provided Mr. Johansen with office space at Portland without charge and, although Mr. Johansen testified that he had made frequent trips to Flightcraft's office in Portland during the period here involved, Flightcraft's records disclose that he was reimbursed for travel expenses to Portland on only one occasion and there is no evidence here to indicate that any part of the operation was conducted subject to his supervision or control.

Mr. Johansen testified that Flightcraft received the revenues and paid the operating expenses merely as a matter of convenience to Sourdough. He contends that it was actually Sourdough's money that was being used since expenses paid in Sourdough's behalf were offset on Flightcraft's books against revenues received in its behalf. Flightcraft's records, however, reveal a series of so-called advances made to Mr. Johansen from a point of time antedating the leasing and passenger agent agreements until the end of November 1960 when the arrangement was terminated. Advances of $250 each were made to Mr. Johansen on May 27, 1960, June 4, 1960, and July 21, 1960, while two advances totaling $250 were made on July 5, 1960. Advances of $500 each were made on July 29, September 1, October 1, November 1, and November 30, 1960. These advances were made without regard to whether the operation was showing a profit, since net income therefrom during the 5-month period amounted to only $2,213. Mr. Johansen testified that these advances were actually personal loans made to him by Mr. King, president of Flightcraft, rather than to Sourdough. However, he testified later that they were offset against Sourdough's earnings.

[1] Docket No. 5132 et al., Order No. E–13436, dated Jan. 28, 1959.

Another item of revenue which is somewhat hidden in obscurity is a nonoperating revenue item in the amount of $17,748 appearing in Sourdough's December 31, 1960, profit and loss statement, which supposedly represents the amount paid Sourdough by Flightcraft for the use of Sourdough's flight personnel. Mr. Johansen testified that this item had nothing whatever to do with the operation conducted by Sourdough under its arrangement with Flightcraft because the flight personnel involved were not utilized in that service.

The logic of this explanation is most certainly not readily apparent since Sourdough had been inoperative for nearly a year prior to its arrangement with Flightcraft. The possibility of Sourdough having a roster of pilots and copilots under these circumstances appears so remote that some explanation would be in order. Inasmuch as Flightcraft was engaged in fixed base operations at the time it would appear to have been in a better position to obtain pilots than Sourdough who allegedly received a profit of $7,748 on the transaction. Mr. Johansen's explanation serves only to cloud rather than clarify the matter but viewing it in the light of the other cash advances made to Mr. Johansen by Flightcraft, especially since the majority of them were made periodically in round sums of $500 each, it is evident that this was just another means of paying Sourdough rent for the use of its certificate.

In summary it might be observed that there are only two things that identify Sourdough with the Flightcraft operation, that is, the flights were operated under Sourdough's certificate and the Flightcraft DC–3 aircraft was placed on Sourdough's operating specifications. The bookkeeping procedures employed by Flightcraft were adopted to lend the color of legitimacy to the operation but Mr. Johansen's own testimony is illuminating on this point because when Flightcraft made its proposal to rent the certificate Mr. Johansen suggested that the leasing arrangement be employed instead.

Sourdough was inactive from November 1960 when the Flightcraft operation terminated until May 1961 when it resumed operations under a so-called lease-charter arrangement with Malcolm Robertson, owner of Southeast Airlines (Southeast), a part 45 operator whose headquarters were at Philadelphia International Airport. Southeast at the time was engaged in transporting Army and Marine recruits on a contract basis in regularly scheduled service from northeastern cities to military camps in the southeastern part of the United States. Under its arrangement with Mr. Robertson, Sourdough subleased Southeast's DC–3 aircraft N16067 on or about May 3, 1961, and chartered the aircraft back to Southeast on or about May 10, 1961, for use in the latter's operation. Also, on May 10, 1961, Sourdough signed a ticket agency agreement with Sky Coach Air Lines Agency, which was signed on the latter's behalf by Malcolm Robertson's brother, J. J. Robertson. The sublease was to have remained in effect 6 months from date but was terminated on or about the following July 1 when the aircraft was returned to its owner, the Lesavoy Foundation. Although as a part 45 carrier Southeast had no authority to carry common carriage traffic by operating flights with this aircraft under Sourdough's certificate, it could carry official military traffic southbound and individually ticketed military traffic on return trips.

During the first 6 weeks of operation under this arrangement the aircraft was used to carry recruits between Pennsylvania cities and camps in South Carolina. The operations were identical to those performed by Southeast as a part 45 operator for a period of approximately 18 months prior to the lease-charter arrangement. Southeast's service for the Marine Corps was operated on a regularly scheduled basis and, although Mr. Robertson understood that he was permitted to carry individually ticketed military passengers, he was informed later by the Board that part 45 operators had no such authority. In an effort to become associated with some carrier who had such authority Mr. Robertson offered Mr. Johansen an equity in Southeast's aircraft in exchange for an interest in Sourdough. The lease-charter arrangement was agreed upon instead, which in all important details was virtually identical to its arrangement with Flightcraft.

The evidence shows that all of the flights were operated by Southeast but reported as Sourdough flights. Southeast provided Mr. Johansen with office space at Philadelphia International Airport, the charge for which was allegedly assessed against Sourdough's revenues. Southeast received all of the revenues from the Sourdough operation and paid all of the direct and indirect expenses. The operation was conducted under the direction and control of Southeast and by Southeast employees and there is no evidence here to connect Mr. Johansen with the physical operation of the service. A record of the operating revenues and expenses was maintained in Southeast's books in accordance with directions received from Sourdough's accountant in Seattle. Although Southeast's books do not reflect payments having been made by Southeast to Sourdough or Mr. Johansen, Mr. Robertson testified that he had paid Mr. Johansen between $1,800 and $2,000 during the period May through August 1961, and that he still owed Mr. Johansen several thousand dollars. In this connection the evidence shows that no moneys were paid to Southeast or Mr. Robertson by Sourdough and there were no transfers of funds between Southeast and/or Mr. Robertson on the one hand, and Sourdough and/or Mr. Johansen on the other, as a result of the lease-charter arrangement except the personal advances made by Mr. Robertson to Mr. Johansen.

When operations resumed in September 1961 Sourdough leased the aircraft directly from the Lesavoy Foundation. The lease was executed in Sourdough's behalf on September 1, 1961, by Melvin Chapman, a Southeast pilot, who, like the other Sourdough flight personnel, received his salary from Southeast. Operations under this arrangement terminated in November 1961 when the aircraft was returned to the Lesavoy Foundation.

Except in one or two instances all of the flights operated under Sourdough's certificate carried Army and Marine recruits from northern points to military camps in the South. A number of those, operated in September 1961, carried recruits which Imperial Airlines had been committed to carry but which Sourdough carried at Imperial's request. Mr. Robertson testified that most of the recruits which Southeast carried southbound returned to their homes upon completion of basic training a few weeks later at their own expense. Although there is some conflict in Mr. Robertson's testimony concerning the real purpose behind his arrangement with Sourdough [2] it is clear that his primary interest was in carrying revenue passengers on return trips, even though it might have had the incidental effect of helping Sourdough obtain a renewal of its certificate. Southeast suspended service in August 1961 at which time Mr. Robertson became Imperial's traffic agent, a position which he held until Imperial's fatal accident at Richmond, Va., in November 1961.

Sourdough submitted financial statements for both the carrier as such and for the partners, Mr. and Mrs. Johansen. As of June 30, 1961, Sourdough had assets totaling $29,242 consisting principally of current assets in the amount of $6,930, representing the amount allegedly owed Sourdough by Southeast, and flight equipment, $20,000, representing the book value of the wrecked aircraft which Mr. Johansen purchased in 1955 for $75. This aircraft has not since been repaired and parts of it are located in three widely separated places. In view thereof and in consideration of the probable cost of restoring it to flyable condition,[3] and in view of the fact that no effort whatsoever has been made during the intervening years to repair it, there would appear to be considerable doubt that this aircraft would have any value and for this reason it should not be carried as an asset on the carrier's books.

Sourdough's liabilities as of the above-indicated date consisted of notes and accounts payable totaling $11,975. Net worth was computed at $17,266, representing the owner's investment and accumulated earnings. However, in view of the uncertainty of the amount and collectibility of the Southeast debt and the dubious value of the carrier's wrecked aircraft, it appears that Sourdough would have a negative rather than a positive net worth which may amount to as much as $9,000, depending on how much, if any, of the Southeast debt Sourdough may be able to collect.

The financial position of the partners while somewhat better still leaves much to be desired for such a substantial undertaking as a supplemental air carrier operation. Their home, certain personal property, and household furnishings account for $35,500 of their $63,585 net worth. The assets include an item of $25,000 representing an estimated book value of the Kearn, Inc., aircraft which also was damaged in an accident in 1955 and has not been repaired.

This aircraft was partially repaired by Volitan Aircraft Co. in 1957 but work on it has never been completed. It is still in Volitan's shop in California; however, title thereto has since passed to the Insurance Finance Corp. of California because of Mr. Johansen's failure to repay a personal loan of $5,000 obtained from that company in 1959.

Inasmuch as the finance company rather than Mr. Johansen now holds title to the aircraft, the partners obviously were in error in listing it as an asset. However, even assuming that Mr. Johansen should regain possession of the aircraft, it would cost a minimum of $30,000 to place it in flyable condition. Since neither aircraft has been repaired after a period on nearly 7 years it appears safe to conclude that Mr. Johansen either does not have the money to repair the aircraft or they are not worth repairing.

After eliminating the estimated value of this aircraft the partners would have a net worth of approximately $38,500 instead of $63,858 which is only slightly more than the estimated value of their home, certain personal property, including cash, and household furnishings.

Sourdough's future operating plans contemplate the operation of civilian and military charter and contract services, including individually ticketing, sightseeing tours, foreign transportation, and charter flights for

[2] Mr. Robertson testified variously that the arrangement was designed to help Sourdough obtain a renewal of its certificate from the Board; that he had hoped to obtain a carrier to take over Southeast's operation; and that he wanted to merge with some carrier that could carry recruits on return trips.

[3] Mr. Johansen estimated that the repairs would cost approximately $35,000, a figure substantially below his earlier estimate of more than $50,000 given in the proceeding entitled "In the Matter of the Investigation of Interim Operating Authorization No. 37," Docket No. 8682, which was dismissed by the Board Nov. 9, 1959, Order No. E–14620.

the U.S. Forest Service. It is presently considering the acquisition of a DC–6 aircraft either by lease or lease-purchase but its plans for doing so are very vague and indefinite.

Conclusions: The evidence here attests quite strongly to the Board's wisdom in the large irregular air carrier investigation of limiting carriers with borderline qualifications to 2-year rather than 5-year supplemental certificates. Since March 31, 1956, Sourdough's financial position has deteriorated from a positive net worth of $19,545 to a negative worth of several thousand dollars. Although Mr. Johansen testified in two Board proceedings dating back to the fall of 1955 that the aircraft would be repaired and restored to service, nearly 7 years have elapsed and they still have not been repaired. In view thereof and because of the rather difficult financial position of Sourdough and the unimpressive financial position of the partners, it is doubtful that these aircraft will ever be repaired and restored to service.

Other than the aircraft provided Sourdough under its arrangements with Flightcraft and Southeast neither Sourdough nor Mr. Johansen has had any aircraft of their own for the operation of supplemental air service since receiving the supplemental certificate. Sourdough has no immediate plans for acquiring other aircraft for use in its service and it appears that neither it nor Mr. Johansen has sufficient financial resources to enable the carrier to operate in its own right instead of renting its certificate to others.

Notwithstanding Sourdough's contention to the contrary, it is apparent that after having become convinced that he would never be able to operate the service himself, Mr. Johansen decided to utilize the certificate for purposes of profit whenever and wherever the opportunities arose even if it meant trifling with the law and losing his certificate for noncompliance with the act and the Board's regulations. The Flightcraft and Southeast operations are clear cases of Sourdough having rented its certificate for profit and the so-called advances made to Mr. Johansen by Flightcraft and Mr. Robertson were nothing more than rental payments for its use. Aside from this, even if it were true, as testified to by Mr. Robertson, that he entered into the lease-charter agreement with Mr. Johansen as a means of helping obtain renewal of his certificate, the arrangement would still constitute a rental of the carrier's certificate since it enabled Southeast to engage in common carriage service in violation of section 401 of the act.

The extent of Sourdough's role in either operation was the loan of its name and certificate to Flightcraft and Southeast and the placing of their aircraft on its operating specifications. In all other respects the operations were exclusively those of Flightcraft and Southeast. Through the use of Sourdough's name and under color of its certificate they were able to engage in common carriage and other services which they were not authorized to perform.

On the basis of these facts, it is apparent that Sourdough not only lacks the necessary financial and operational ability to qualify for renewal of its supplemental certificate, but that it lacks compliance disposition as well. The rental of its certificate to Flightcraft and Southeast enabled these companies to engage in air transportation although their qualifications to engage in such service has never been determined by the Board. Furthermore, it contributed to their violations of section 401 of the act by reason of their having engaged in such transportation without authority from the Board.

The Board had occasion to deal with the same type of problem in its decision in the large irregular air carrier investigation, wherein it found Central Air Transport unqualified for supplemental air carrier authority for having rented its certificate to other carriers. It characterized the carrier's actions for having done so as serious violations of the act and because of the recurring nature of the violations, it found the carrier lacking in compliance disposition and denied its application for a certificate.

Finally, Sourdough contends that the Board lacks jurisdiction to grant a renewal of the certificate since the court has held that it had no jurisdiction to grant it in the first place.[4] The answer to this contention is that the court's mandate setting aside Board Order E–13436, authorizing supplemental air service, has been stayed so that the Board has never lost jurisdiction over the matter. For this reason Sourdough's contention is rejected and its motion to defer further procedural action in this case is denied.

On the basis of the foregoing facts and all of the evidence of record it is found:

That Sourdough Air Transport lacks the necessary financial and operational ability to warrant renewal of its supplemental air carrier authority.

That by reason of having rented its certificate to Flightcraft, Inc., and Southeast Airlines, Sourdough Air Transport has manifested a disposition of noncompliance with the provisions of the act and the Board's rules and regulations and has demonstrated that it cannot be entrusted with supplemental air carrier authority.

That the application of Sourdough Air Transport for renewal and/or an extension of its supplemental air carrier authority is denied.

RICHARD A. WALSH,
Hearing Examiner.

[4] *United Air Lines, Inc.* v. *CAB*, 278 F. 2d 446.

ANTI-RED CLAUSE IN POSTAL RATE INCREASE BILL

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, among the people in this country who are most interested in the Communist propaganda problem are those whose heritage is behind the Iron Curtain. These are the people who are most subjected to Communist propaganda, especially the redefection material which boldly attempts to lure them back to the captive nations behind the Iron Curtain.

These are the people who know of the deceit of the Communists, who truly realize the nature of the Communist movement, and who constitute the bulwark in this country against the nefarious schemes of the Communists and those who wittingly or unwittingly do the Communists' bidding.

Accordingly, it was with much interest that I received a copy of a telegram sent President Kennedy by Mr. Erik A. Dundurs, president of the Council for the Liberation of Captive Peoples From Soviet Domination. Mr. Dundurs commented on statements by the President relative to Communist propaganda.

I think these comments are both pertinent and interesting. They get to the heart of the matter, and I commend them as bearing directly on the basic reason behind the overwhelming House approval of language to ban the free or subsidized delivery of Communist propaganda.

Mr. Dundurs' telegram follows:

POSTAL RATE INCREASE BILL AND ITS ANTI-RED CLAUSE

DEAR MR. PRESIDENT: This is in reference to the postal rate increase bill and your remarks made at the press conference on January 24 as reported in the January 25 issue of the Minneapolis Morning Tribune.

It is indeed unfortunate that you questioned the usefulness of a House approved anti-Red clause made a part of this bill.

Your reasoning, that it would damage U.S. interests more than it would help them, is not acceptable to the citizens of the United States who know communism first hand by direct and personal experience.

I am deeply disturbed about your allegation that there has been a drop in the amount of mail coming in from the Soviet Union.

The tide of propaganda from behind the Iron Curtain is mounting, not receding.

According to the information at my command, the Soviet Union is accelerating and diversifying its means to flood the American people with its unsolicited, filthy, and slanderous propaganda at our expense, and thanks to the appeasing attitude of our executive branch of Government.

I have physical proof about the ingenious methods of the Soviets, whereby up to three letters a day have reached a single recipient, all of them in envelopes of different color and with different or no name listed as the sender, but all containing vicious propaganda material, unquestionably from the same source.

None of this material bears labeling as Communist propaganda, required by the Foreign Agents Registration Act.

I have also physical evidence about a new trend in the evil Soviet propaganda scheme. Within the framework of an anti-anti-communism movement directed by Moscow, unscrupulous Soviet writers have fabricated stories about the rebirth of fascism and are assailing Americans active in anticommunism work as active members in an organized Fascist movement, capable of committing crimes more atrocious than the ones committed by Hitler and Himmler.

This scare technique is designed to pit man against man and to seed disunity and distrust among the American people.

To add more force to their presentation of scare, the writers have accused the same Americans, many of them prominent members of the clergy, on charges ranging from murder to treason, allegedly committed during World War II.

The above material, in letter-size booklets and under the disguise of innocent-looking envelopes, is distributed throughout the Nation through the courtesy of the U.S. Post Office.

I have delivered specimens of this material to the FBI for study.

May I suggest to you, Mr. President, a simple test to check the scope of the Soviet propaganda barrage, intensified after your executive order of March 17, 1961, took effect.

By Presidential appeal, every American receiving unsolicited Soviet propaganda material would redirect it to a receiving center designated by you, for a period of 30 to 60 days.

At the end of this period you would have first-hand proof of the mounting tide of Communist propaganda.

I challenge your statement, that if there is also an effort made by the Communists to deny us the use of the mails, it is going to present problems for many Americans.

This statement is inaccurate and misleading to say the least.

We have never had the privilege to use the Soviet mails for our political propaganda, even if it were sent as first-class mail, registered and insured. This is a proven fact beyond dispute. What problems could it consequently present for many Americans?

Does a free society have to leave itself totally exposed to an unending brainwashing and slander, unsolicited and at its own expense?

Since reciprocity can never be expected from the Soviet Union, how long should we tolerate its unilateral abuses?

I have written to you on this subject last April, after you had issued your executive order on March 17, creating a vacuum for additional tons of vicious propaganda material.

After receiving my letter from the White House for consideration and reply, Assistant Attorney General J. Walter Yeagley answered it on May 10. It stated in part that in the absence of Federal legislation, the Government maintained procedures to curb foreign political propaganda had been challenged as being without adequate legal foundation.

Now, after the House has approved a postal rate increase bill that carries the ban on Communist mailings and would provide the legal basis for enforcing it, the administration questions its usefulness.

I appeal to you, Mr. President, to reconsider your stand in the light of above fact, so that this shameful situation can be corrected.

I am also appealing to the Members of the U.S. Senate to vote for the bill as passed by the House.

I am prepared to testify and to present proof on my above statements, if I were asked to do so.

Your reply is cordially solicited.

Respectfully,

ERIK A. DUNDURS,
President, Council for the Liberation of Captive Peoples From Soviet Domination.

WAYZATA, MINN.

PRESIDENT OF BRAZIL, JOAO GOULART

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. ALGER] may extend his remarks at the point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. ALGER. Mr. Speaker, for the past 2 days this Nation has entertained and honored as a guest the President of Brazil, Joao Goulart. We, as a people, have held out the hand of friendship to President Goulart and to the people of Brazil during this visit and, in a more tangible way in the past through the millions of dollars we have given to that country. We have made no demands upon Brazil. We do not seek to impose our will upon that country. We are not sending secret agents there as revolutionaries, assassins, or agents provocature to destroy President Goulart and his Government. Yet, how does President Goulart react to our acts of friendship, to the help we have given in the past and have offered in the future for his people?

In the published reports of his talks with President Kennedy and here in the House yesterday when he addressed a joint session of Congress, he expressed no great appreciation, he made no offer to stand shoulder to shoulder with us in defense of the freedom of his people and ours, he gave no guarantees even that he believes in the freedom and liberty of his own people. Rather, his attitude bordered on the belligerent in his demands for more money from the people of the United States while at the same time telling us he is opposed to ridding this hemisphere of the Communist menace posed by Soviet-controlled Cuba, in his plea that we should not attempt to win the cold war against the Communist conspiracy to enslave the world, but rather should accept the hollow and false pronouncements from Moscow as gospel truth and relax our efforts to expose the Communist plot to enslave the world.

On top of this brazen approach in attempting to dictate U.S. policy, President Goulart made even more astounding proposals. He served notice that his government will expropriate all American-owned property in Brazil and will pay whatever price his government decides. Even though, from recent experiences with expropriation in Brazil we find that that price is merely a mockery—something like $400,000 for the $8 million property of the International Telephone & Telegraph Co.—they will not even pay for that with money from Brazil, but with the dollars ponied up by American taxpayers.

Just what has the United States to gain from such a friendship? Why should American working men and women toil and sweat and deny their own families the good things of life to help finance a government that will not bring about liberty and justice for its people, but will rather engage in a dangerous lovefest with Communist Castro and Soviet Russia.

We do not want to buy the friendship of Brazil, but I think it is only reasonable that if that country is willing, even anxious, to accept our money, the least we can expect is that they will not help our enemies.

Perhaps it is not too strange that President Goulart takes this attitude in view of the political connections of his brother-in-law, Governor Brizola, of Rio Grande do Sul, the leading exponent of friendship with communism and expropriation of the property of U.S. citizens. Perhaps there is some connection between President Goulart's easy acceptance of getting along with the Communists and his press secretary, one Raul Riff, who, it is reported, has been arrested many times for Communist activity, dating back to 1935 when there was a Communist uprising in Brazil.

Mr. Speaker, I do not know what President Kennedy offered President Goulart from the U.S. Treasury and, judging from other conferences in which our Chief Executive has engaged, we probably will never know exactly what commitments have been made, but I think this Congress should declare itself in no uncertain terms as to the conditions to be met before we give away any more of the taxpayers' money to a country which may actually be lined up against us if the Soviets decide to have Castro move against the people of this hemisphere. I think the people of the United States are entitled to a clear and forthright statement from President Kennedy and from the State Department as to just what kind of a government we are supporting in Brazil and if the President agrees that the United States should finance the seizure of the property of American citizens by foreign governments. As for me, I intend to vote against giving any money to any government which will not declare itself on the side of the free world in a contest which will determine whether or not mankind will be free or slave.

Mr. Speaker, it is time the United States stopped letting itself be kicked around for every time we permit this to happen it invites further kicking around and in the end can mean only defeat for the United States.

STAFF MEMBERS OF HOUSE COMMITTEES

Mr. ALGER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. ALGER. Mr. Speaker, today I am further supporting my colleague, the gentleman from Iowa [Mr. SCHWENGEL] by joining him in introducing a resolution to increase the minority representation on the professional staffs of the committees of the House and subcommittees thereof.

In my opinion this body faces no more important decision than this one because, unless the minority party has adequate staff help on committees to properly discharge its duties, we do not have true representative government and the people are the losers. As has been pointed out by others who have taken the floor on this issue, the present situation regarding committee staffing is scandalous. The majority party, through its long tenure in control of Congress, has developed a hierarchy of professional help which makes it more and more difficult for the minority to present its views on legislation of vital concern to all the people.

Ours is not a one-party system. The very strength of this Republic has been based on the fact that under every administration preceding this one there has been a vocal and effective loyal opposition. Alas, we now face a grave danger, a threat which could mean the end of government by the people and the substitution of government by a powerful Executive or dynasty. Already we have seen what is happening to the once proud civil service system which is being subverted by this administration to a propaganda arm of the President where civil servants are directed to conduct themselves to the end of improving the public image of the President.

If we continue and increase the present imbalance of committee staffs, the rout of representative government will be complete, no effective opposition to the plans and programs of the administration will be launched and the people will be subjected to the rule of a

single individual who will become, whether or not he wills it, a dictator.

The resolution I have introduced, therefore, lends itself to the strengthening of true representative government as it enables the minority to present the opposing position to administration proposals. The resolution does not upset the makeup of any committee which is presently meeting the demands of nonpartisan or bipartisan efforts on the part of committee staffs. It merely affords the opportunity on those committees where the minority members are not being served adequately to bring about a change in committee personnel to assure proper staffing for the minority party.

I think the majority party is taking a very shortsighted view if it opposes this resolution. Their opposition would make it appear that they never intend to relinquish the role of the majority, indeed, that they will use the imbalance of committee staffs to perpetuate their control of the Congress. There could be a public reaction toward this line of thinking because the American people are extremely jealous of representative government and were they to become aware that their interests are not being served by the present makeup of committee staffs, the present majority could easily become the minority and the victims of their own practices. Both parties will be protected for all time from the ambitions of any leadership which may be tempted to tamper with the machinery for orderly legislative processes by the enactment of this resolution and I hope the Members of the House will take speedy and positive action to amend this rule.

IS IT THE VOICE OF AMERICA?

Mr. LATTA. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DEROUNIAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. DEROUNIAN. Mr. Speaker, the American people have no knowledge of the kind of job being done by Edward R. Murrow, as Director of the U.S. Information Agency. I was very much concerned to read a letter from a constituent whose daughter is now in Sweden and who has therefore had the opportunity of witnessing the kind of propaganda on our country that Mr. Murrow is sending overseas. Her letter speaks for itself and I now submit for the RECORD both Mrs. Benter's note to me and her daughter's correspondence.

Are we going to let this kind of thing continue, while we lose opportunity after opportunity of informing the world, not what Edward R. Murrow thinks of America, but what the average citizen proudly knows to be the real America?

Here is Mrs. Olga Benter's letter:

BAYVILLE, LONG ISLAND,
April 2, 1962.

DEAR MR. DEROUNIAN: I am sending you part of my daughter's letter from Sweden. She is a college graduate and has been working in cancer research in a hospital. (I was born in Sweden but am a U.S. citizen for many years.) She is proud of her country and she would like to see some beautiful parts of her country shown on TV, but I don't know whom to contact. Can you do something about this and let us know whom to write to?

Sincerely,

OLGA BENTER.

And here is the excerpt from Eleanor Benter's letter to her mother:

On TV the other night they had a documentary from America about a town that calls itself a typical American smalltown. The town was Princeton and I thought, oh, what a lovely town to show to Sweden. But the town was Princeton, Ky. It was a real farmer, hillbilly town way out in the sticks somewhere with all the old pig farmers and hillbillies with dozens of children running around. I was so angry about it because people over here have some very strange ideas about America and Americans to begin with, and this film certainly didn't help much. Oh well, the next week they had a documentary on Chicago and showed mostly scenes from the Bowery with all sorts of drunks lying around and policemen arresting narcotics addicts. If I were a European and saw these films I'd never go to the States. I almost feel like writing to someone about it because the people here only know what they hear and see on TV, about the United States and don't really understand our way of life and philosophy. They think that the Federal Government can run the States just as easily as the Swedish Government runs Sweden. But when you tell them that there are a half million more people in New York City alone than in all of Sweden they are very surprised and begin to realize the great difference between the countries.

THE FORGOTTEN CHILD

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. MULTER. Mr. Speaker, we frequently talk about the forgotten man but rarely do we even think of the forgotten child.

I am not much better than many others in this regard and might well be giving the subject just as little thought except for the fact that I have been honored with the chairmanship of the 16th Annual Cavalcade of Stars to be held at Madison Square Garden on June 7, 1962. This is the annual fundraising function for the benefit of retarded children under the sponsorship of the Shield of David Institute of New York.

A very fine discussion on the subject of mental retardation appears at page 222, et seq of the hearings conducted on January 3, 1962, before the Subcommittee on Health, Education, and Welfare of the House Committee on Appropriations.

The startling thing is that the latest figures show that more than 10,000 mentally retarded children in this country are receiving special clinical care. Seventy-five percent of them are children under 9 years of age. Less than 150 of them under 1 year of age can get any governmental assistance. Less than 1,800 children between the ages of 1 and 4 years can get any governmental assistance, and less than 2,500 between the ages of 5 and 9 can get any such assistance.

In other words, except for philanthropic institutions such as the Shield of David Institute, maintained entirely by voluntary contributions, all the rest of these children under 9 years of age have no means of obtaining any care or attention except in those rare cases where the family is wealthy enough to hire special attendants for the child.

Last month the Joseph P. Kennedy, Jr., Memorial Foundation announced a magnificent gift to Stanford University School of Medicine to advance research in this field. In announcing that gift, R. Sargent Shriver, Director of the Peace Corps, who together with his wife administers the foundation, said that mental retardation is one of the Nation's most pressing medical and social problems, afflicting 3 percent of the population. He said that the ultimate research aim is discovery and elimination of the causes.

Until recent years parents of a young mentally retarded child were offered little community assistance with the overburdening social, psychological, as well as medical problems that confronted them. Society's attitude was characterized by indifference to the problem as well as a lack of facilities for rendering help to these children and their families. Parents were left to their own devices to struggle as best they could, with the problem of securing adequate and concrete help for these children.

In New York City, several well-established diagnostic clinics specifically for mentally retarded children existed in a number of hospitals. However, facilities to implement and follow up the recommendations of clinic personnel in order to enhance the training and educational opportunities for these children had been slow in development. Such services as existed were scattered, disorganized and incomplete.

The Institute for Retarded Children of the Shield of David, in the fall of 1954, was organized to fill the training and educational gap that existed for young retardates inadmissible to the public school systems. In an integrated program, under one roof, there was provided a licensed psychiatric clinic with full diagnostic facilities, a school of special education with an adjunct speech therapy department, a department of psychology integrated with the school system, staffed with full testing and counseling personnel, a social service department, and such peripheral services as structured research, home visiting team, dental and ophthalmological care, together with various other services that were organized as the needs became evident.

The institute was designed under philanthropic auspices, to be available to all families, regardless of color or creed, and to meet the desires of families who wish to keep their children at home, but need assistance to enable them to develop

their potential. Simultaneously, the program was designed to implement the concept that severely retarded children—those known as trainable retardates—can respond to an organized training program which is augmented by psychological services for the parents.

For the parent, therefore, the services of the institute begin with a casework interview that has many facets centering simultaneously on child and family. This includes a detailed medical and psychological history of the child's development, a picture of the child's functioning as seen by his parents, and of the child's place in his family. An overall assessment of the parents' psychological status, attitudes, and aspirations for the child and for their siblings is also obtained.

For the child, the service of the institute begins with a complex diagnostic evaluation with as many objective tools as are now at the disposal of the professional field, supplemented by a clinical evaluation of the child's social and educational capacity. The institute's diagnostic procedure represents an effort to establish a comprehensive picture of the child's functioning. A thorough medical examination specifies the physical deficiencies and the limitations with which the child must cope, and his physical assets and the status of his neurological development. Staff specialists investigate the hearing, visual, and dental conditions. Deficiencies in these areas relating to the child's functioning and subclinical pathology are frequently discovered and corrected.

Such unnoticed conditions have often produced a psychological overlay of difficulties for the child, which in turn have become inseparable from and part of the total picture of the child's functioning and behavior. An exact evaluation of the child's speech status is contributed by the speech pathologist who evaluates the child's awareness of speech and communication and the level of his readiness for speech development. A specialist in education assesses the child's social adaptability, his learning pattern, his capacities in self-care compared with his chronological age.

In a staff diagnostic conference these findings are exchanged and analyzed among the examiners and social workers, under the guidance of the chief psychiatrist, in an effort to arrive at an etiological and dynamic diagnostic formulation about the child, and to project a treatment program for both child and family. These are considered within the context of all that is known about the psychological and emotional factors in the child and family, and contribute to the prognostic statement that can be made about him.

In those instances where a definitive statement about the child's availability for training or about his emotional problems cannot be made, doubts are resolved in favor of placing the child in school, on a trial basis, so that he can accommodate himself gradually and that the staff may have 3 to 6 months for extended observation which may yield more diagnostic clues. For these children, as well as for others with complex and undefined diagnostic pictures, individual psychotherapy may be offered in conjunction with the school program.

The social worker interprets these findings to the parents who are seen together for this purpose. A realistic appraisal of the child's capacities and an estimate of his future abilities as far as they can be projected are discussed. In this interpretation the institute's immediate program and the ways in which the home situation can be integrated with the efforts of the school are considered.

For children from birth to 4 years of age the institute offers a home training program in which the mother regularly sees a caseworker plus specialists in education and speech development who offer guidance as to the child's readiness for training and the methods of training which the parents can undertake at home. A staff nurse visits the very young child in his home weekly to offer demonstration and guidance to the parents.

For children between the ages of 4 and 12, the institute offers a day school program. The overall objectives of the school program are to train in self-care, with special attention to toilet training, dressing, and feeding; to develop speech, and to provide the opportunity for socialization for the child with his peers. The entire organization of the program is designed as a therapeutic one. The period of attendance can range from 6 months to 5 years, as long as the child continues to demonstrate progress in growth and development.

The grouping of the children is homogenous, as far as possible, for ability, for physical needs, for size and for personality needs. Special teaching materials and techniques have been devised to deal with specific perceptual problems, to limit distraction and to enlarge attention span. The groups are small enough to enable the teacher to give each child individual attention and observation and to become aware of his individual pattern and rate of learning. The teacher is sensitive to distinguish between resistance and inability to perform; to respond to the occasional flashes of understanding and awareness which a given child exhibits when emotional tension is reduced; to the need for repeated stimulation, approval, and encouragement which the child requires.

Experience in the institute has made it quite clear that the most dramatic and meaningful assistance to many parents is in the development of the child's ability to communicate. Although speech therapy, for the most part, had not heretofore been considered a valid service to retarded children, the institute engaged a speech pathologist for diagnostic purposes and to develop a program of individual therapy designed to enhance the child's capacity in this area. Now the institute has a full-time staff of speech therapists to give individual speech sessions, on a regular basis, to the majority of its school population. Goals for each child are set in accordance with the estimate of his capacity. The response of the child to the personal relationship established between him and the therapist may be a significant contribution to his emotional growth.

The caseworker is the coordinating force among all the specialists in the school and integrates their services with the dynamics of family life. She maintains an active relationship with each family of a child in school. The psychological concept underlying this service is that the parents of a handicapped child have problems which affect all family members and which call for special adjustments in their daily living. Parents respond to the knowledge of the child's retardation with the personality strengths and adequacies with which they meet other crises in their family life; sometimes, of course, these strengths need to be released and made accessible to them. In accordance with their emotional and intellectual awareness, parents become involved with a treatment relationship of varying depth and significance. With the caseworker the focus of attention moves from an initial emphasis on the child's adaptation in the school program, to the more subtle and significant areas of the place of the child in his family. The therapeutic services available to the parents consist of two different types of aid, individual counseling and group therapy.

The institute, since its inception, has admitted 757 children, of which approximately 20 percent have graduated to the public school classes for trainable children. Others have moved on to State or private residential facilities and by virtue of the training received at the institute, have been better able to adjust and be accommodated at such residential facilities. A small group of children who have exhausted the benefits of training and the possibility of further development and growth have remained at home with their parents.

The major gains for the children have been in areas directly related to educability. Children have made significant gains in terms of their own development, in the areas of emotional adjustment, decreased distractibility, and in various curricular skills, as well as in speech and language development.

Parents as a group were much better acquainted with factual information regarding retardation as a result of which they experienced far less guilt in connection with it. In addition, there is evidence of significantly greater understanding on the part of the parents of the capabilities and limitations of the child. Unrealistic goals and plans have been relinquished, and more realistic and substantial plans undertaken. In the clinical evaluation of the staff, problems in many of the homes reached satisfactory resolutions. Homes that had been fraught with marital discord achieved a better harmony.

In the broadest sense the mentally retarded child is no longer the forgotten child and the problem of his care is receiving public attention. Nevertheless, this is an area where knowledge, techniques and interest are still in relatively early stages of development. The institute represents, in New York City, the place where concrete services and daily practices in the development of the

trainable child are a reality. The response to the challenge that severely retarded children represent must come on various fronts simultaneously. The institute embodies the hope that discoveries and contributions in medicine, psychiatry, psychology, education and social work will be consistently integrated and utilized by the various specialists for the needs of the whole child and for the community.

"THE LIBERAL PAPERS"

The SPEAKER. Under previous order of the House, the gentleman from California [Mr. ROOSEVELT] is recognized for 15 minutes.

Mr. ROOSEVELT. Mr. Speaker, the Members of this body are aware of the controversy raging since publication of "The Liberal Papers" last month. Despite statements made in personal interviews, published reports still do not make entirely clear that no Congressman, including myself, has any responsibility for any of the ideas presented in the various essays which comprise the volume. Equally important, no contributor had any responsibility for the contribution of another contributor. A true parellel to the situation is the position of the National Press Club in inviting diverse speakers to address the Members at luncheon meetings. No individual members, or the Press Club as an entity, take responsibility for, nor is any endorsement implied for the speakers' opinions.

At the request of Doubleday, I acted as editor and wrote an introduction to the book, wherein I made clear, and I read:

> The primary function of these essays is to reopen the political forum and reinstitute the dialogue of politics in our attempt to lead to new directions in public policy.

A further quotation seems to me to be particularly pertinent:

> I am hopeful that such controversy which might be attendant to the publication of these and other essays will not be ad hominem, but will be related directly to the arguments themselves.

However, this is now the situation—accusations are being made to the man; to his principles, interests and passions, rather than to reasons of truth or logic.

One of the contributors to "The Liberal Papers," David Riesman, has given me permission to read to you his letter of March 30, 1962 to Mr. Pyke Johnson, Jr., editor in chief of Anchor Books. Mr. Reisman has stated the matter in an objective manner. His letter follows:

> DEAR MR. JOHNSON: A reporter from the Harvard Crimson, the undergraduate paper, interviewed me on March 26 concerning Republican attacks on Democrats identified with "The Liberal Papers" that you published, and in the light of this discussion, I thought I would like to set forth one contributor's reaction.
>
> It may or may not be relevant that I have never been active in party affairs. Indeed, save for my concern in recent years with respect to nuclear policy and foreign policy, I have occupied myself entirely with research and teaching, and for better or worse, have never served as an adviser or "braintruster." What I have done since I began teaching (as I indicated in my introduction to Stimson Bullitt's "To Be a Politician," which you also published) is to try to persuade students to interest themselves in civic and political matters, and to consider political careers. And in this role I have been as eager to have able and dedicated students work with the Republican as with the Democratic Party; it goes without saying that as a teacher and scholar I've never considered it my task to promote the fortunes of either party.
>
> Many of the ablest undergraduates at colleges throughout the country with whom I have spoken share the common American prejudice against politicians. This is as true of students who plan to go into business or law as of students who are considering careers in teaching, medicine, or research. In combating this snobbish prejudice, "The Liberal Papers" will be useful if the book can illustrate what my own experience teaches me; namely, that Congressmen are interested in having ideas discussed, whatever their own attitude toward concrete proposals and whatever their choice of issues on which to work and fight. As I said to the Crimson, the Harvard Law School doesn't stand behind Jimmy Hoffa or Castro, one a prospective and the other a past speaker before the Harvard Law School Forum. But the Harvard Law School, like any reputable body, will defend the right of speakers to express ideas that might have a bearing on American policy.
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> Indeed, it seems to me that Republican attacks on "The Liberal Papers" as subversive make it look as if these Republicans don't want any discussion of possible innovations, as if indeed they believe that the administration knows best what should be done and that we are no longer a representative democracy in which debate is permitted.
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> Furthermore, the charge that 35 Democratic Congressmen are advocating surrender to the Communists by sponsoring the book seems false on two counts. I myself don't feel I am sponsoring the book by appearing in it (I have, in fact, not had a chance to read all the contributions of my fellow authors), and I would consider it a violation both of good sense and of freedom of the press if I had to see to it that no fellow author in a book to which I contributed could be attacked by anyone with access to the mass media. I myself had only the most casual contact with the Congressmen, speaking to a group on one occasion in an open discussion which I found refreshing and alive and of which I speak in the paper with my coauthor. And in the second place, and much more important, when Representative WILLIAM E. MILLER says that the proposals outlined in "The Liberal Papers," "not only repeat the Communist line—they go beyond the Communist line," I think we have entered a very dangerous climate if Communists can destroy an idea merely by supporting it—not that in fact they would support the highly critical remarks made about the Communists in what I have written.
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> The comparison apparently made by Republican Chairman MILLER between "The Liberal Papers" and the John Birch Society's blue book seems to me wildly far-fetched. The blue book is a secret document, which people like myself have not been able to obtain. Even so, several Congressmen have identified themselves with the John Birch Society or have accepted its support, since it is well-financed, has access to the mass media (despite its continuous suspicion of, and attacks on the media), and can swing voters in southern Ohio, southern California, and elsewhere.
>
> In contrast, "The Liberal Papers" and the scattered academicians and writers who have contributed to them cannot help any Congressman, most of whom have made plain their lack of any connection with the book; such a book comes out of no organizational or partisan secret society but out of the free play of ideas in the country at large—and would probably have been lost sight unseen but for these attacks. Actually, it is just such attacks by Republican leaders that made it difficult for me to do what I have repeatedly done in talking with students and colleagues, namely, to make clear the difference between the genuine conservatism of many leading Republicans and the conspiratorial fear of ideas among some of the newly founded radical rightwing groups. It is characteristic of members of the latter, when they picket a meeting, to reply to newspapermen's questions as to their identity by saying "I am a loyal American," handing out a mimeographed statement, and implying that they fear to give their names lest those ever-present "comsymps" get them. This 5th amendment of the rightwing has nothing in common with historic Republican tradition. Thus, it is precisely such men as Republican Chairman MILLER who in practice make efforts to link the Republican Party with the John Birch Society while seeming piously to denounce such efforts.
>
> It will be a sad day for America when a Congressman can get in trouble because he has read a book—whether the Blue Book or any other book. Books and the men who write and read them can be destroyed in other ways than by burning.
>
> Sincerely yours,
>
> DAVID RIESMAN.

I ask my colleagues seriously to see whether any of them can truly take real issue with the principles which Mr. Riesman has so clearly set forth.

Finally, may I reiterate that no Member of Congress, no matter what his political or group affiliations may be, had anything to do with the publication of "The Liberal Papers," except for myself as previously stated. At the request of Doubleday I wrote an introduction to the book and acted as editor in the deep and sincere belief that if we are to achieve as a nation an understanding of the issues which face us internationally, we must understand all sides and review as many views and opinions as possible.

I have practiced this in my own life as fully as possible. I read Republican views and I have even carefully read and digested the Blue Book by the founder of the John Birch Society, Robert Welch. I hope this does not make me suspect as a Birchite, and I repeat, a citizen who will listen to only one side of an issue is not truly well informed and therefore not in a position to make the best judgment.

On the other hand, the willingness to examine all sides does not imply weakness or detract from the ability of the individual to maintain the highest of principles and ideals according to his or her own individual view. That is our fundamental American principle. Those who are attempting to forge a political weapon against individual Members of Congress do not seem to understand this. Unfortunately, they are following one of the basic concepts of communism. Some may remember the Communist censure and violent attacks against Boris Pasternak and the novel, "Dr. Zhivago." The implications are clear, and I hope will be heeded.

TRADE EXPANSION BILL— (H.R. 9900)

The SPEAKER. Under previous order of the House, the gentleman from New York [Mr. DEROUNIAN] is recognized for 30 minutes.

Mr. DEROUNIAN. Mr. Speaker, for several weeks now the Committee on Ways and Means has been holding hearings on H.R. 9900, the so-called trade expansion bill.

All members of the executive branch who have appeared before us have given testimony in general terms only and have been unprepared to give details when certain committee members questioned them. Today, there appeared before our committee a Mr. Eugene Stewart, counsel for the Man-Made Fiber Products Association, Inc., who discussed the bill thoroughly. He stated what the implications of the bill would be and made constructive suggestions regarding amendments to it.

Whether or not we agree with Mr. Stewart, he was an outstanding witness.

Because of the refusal of this administration to give the facts to the American people, I submit herewith the prepared testimony of Mr. Stewart:

STATEMENT TO THE WAYS AND MEANS COMMITTEE ON BEHALF OF THE MAN-MADE FIBER PRODUCERS ASSOCIATION, INC.

Mr. Chairman and members of the committee, my name is Eugene Stewart. I appear as counsel for the Man-Made Fiber Producers Association, Inc., 350 Fifth Avenue, New York City. It represents the principal producers of manmade fibers except glass fibers.

POSITION ON THE BILL

We oppose the bill.

We endorse fair trade between nations and fair competition between the products of nations. Expansion of trade on this basis is obviously in the best interest of the United States and its allies.

H.R. 9900 will promote neither fair trade nor free trade. The conditions indispensable for the latter do not now exist, and could not be made to exist without change in basic U.S. policies pertaining to immigration, minimum wage, and maximum hours of work, which we do not advocate. There is nothing in the bill which would assure the minimum ground rules needed for fair trade, either in the United States or in export markets.

THE BILL IS DIRECTED TO THE LEAST IMPORTANT MEANS OF EXPORT EXPANSION

The regulation of imports to assure fair competition between foreign and domestic products can no longer be based on tariff adjustment. The United States, with duties averaging 12 percent on industrial products, is fourth lowest of the nations of the world in the level of its duties.

The recently concluded Dillon round of GATT negotiations will lower U.S. industrial duties to about 10 percent.

Our duties have been reduced so low that in the Tariff Commission's peril point investigation preceding the Dillon round, it was determined that nearly 40 percent of the items on which concessions had been requested by other countries could not be further reduced without causing or threatening serious injury to the U.S. industries concerned.[1] On items requested by the EEC, 75 percent were already at the peril point.[2] These findings by the expert factfinding body on tariff matters are of major importance in view of the broad and unprecedented grants of tariff-cutting power which the bill would give to the President for use in negotiations with the EEC. The Congress cannot know how many of the remaining items which the Commission found were not yet at the peril point would be brought below the point of serious injury by the reductions authorized by the bill. Significantly, H.R. 9900 would eliminate peril point findings.

In Europe, quotas, embargoes and licensing regulations are the chief barriers to international trade, including U.S. exports. These would not be reached by an exchange of concessions in the form of duty reductions.

PROPER RELATION OF TARIFF POLICY TO DOMESTIC FISCAL POLICIES

Discipline in both the public and private sectors of the economy is required to make our industries competitive in world trade.

Tariffs as adjustable cost factors for imports are necessary in varying degrees to assure fair competition between foreign and domestic goods in the U.S. market, given the obvious fact of different cost bases, here and abroad. But there are many cost factors affecting domestic production which are influenced by Government policies. To reduce one cost factor affecting imports, tariffs, while encouraging or causing an increase in costs for domestic production through Government policies, can only result in handicapping U.S. goods in competing with foreign products.

We need a comprehensive study of the domestic cost consequences of inflationary pressures created by continued governmental deficits, and of the systems of taxation, State and Federal, which place our industries at a cost disadvantage with foreign competitors.

Until these factors are adjusted, with other cost-inducing public policies, so as to afford domestic producers with cost reductions equal in magnitude to proposed tariff reductions, the stimulation of imports resulting from such tariff reductions will inevitably be harmful to the domestic economy.

THE BILL ASKS THE CONGRESS TO ABDICATE ITS RESPONSIBILITIES

H.R. 9900 requests Congress to abdicate its powers and responsibilities under the Constitution, by granting the President absolute discretion to reduce or eliminate duties without any limiting standards. It also would deny to the judiciary the right to exercise its power of review to protect U.S. investors, industries, and workers against destruction of their property and employment rights by arbitrary Executive action.

So great and unlimited would be the President's discretionary powers under the bill, that it would, if enacted, change the relationship of Government to business and labor, both in the field of international trade and in the field of domestic production and employment, from a government of laws to a government of men.

For example, by empowering the President to remove completely all tariff duties (under the EEC 80 percent of world export value test, and under the provisions relating to agricultural commodities and products thereof, to tropical agricultural and forestry commodities and the primary products thereof, and to any duty 5 percent or less), even where he is advised by the Tariff Commission that widespread economic dislocation and unemployment would result, the bill gives the Executive the power to pass sentences of economic death on some industries.

Second, when his actions have created such distress, the bill would grant to the President power to allow or deny tax relief to the distressed industries. Just as the power to tax is the power to destroy, so the power to alter decisively the cost factors governing competition between foreign and domestic products by reducing or eliminating duties and granting or denying tax relief to affected industries, can also become the power to destroy.

If we are to preserve our constitutional system, such power must be reserved to the Congress and denied to the President. Congress can, of course, delegate. But the Constitution allows only a carefully defined delegation governed by explicit standards and the necessity for findings that Executive action will satisfy these standards.

This bill contains no such standards, and contemplates no such findings. It makes Presidential discretion, not congressional guidelines, the absolute test. The Congress cannot easily reclaim the powers it improvidently gives away. What it grants today by a single majority vote of each House may require a two-thirds majority tomorrow if the struggle is made to reclaim the lost powers from an unwilling President.

THE BILL WOULD EMPOWER THE EXECUTIVE TO REORGANIZE THE U.S. ECONOMY

The bill contemplates a high degree of Government planning in the selection of the industries whose tariffs are to be reduced or eliminated, in the retraining and relocation of workers who lose their jobs and in the attempt to salvage by conversion to other lines of manufacture some of the industries suffering economic disaster as a result. Thus, it will lead to close control by Government agencies of both domestic manufacture and employment, with corresponding control of production, prices, and wages.

Reduction or elimination of duties will be the means, but bureaucratic reorganization of the domestic economy will be the end result of this bill.

By giving the President the sole power to choose the industries, workers, and communities which shall receive the full brunt of duty-free competition from the products of lower cost countries, and the further power to select from those industries the ones which he will assist by tax relief and other forms of adjustment assistance, the bill would give the President unrestrained power to determine without reference to the Congress the future development of the U.S. economy. There is no statement in the bill of any guiding principles which must be observed by the Executive in the formation and execution of policies for the growth or retardation of particular industries and communities. The Congress is asked by the bill simply to give the President carte blanche to determine that as yet unidentified U.S. industries, workers, and communities are to be retarded or eliminated as a means of satisfying the desires of the brisky expanding European Economic Community for U.S. markets.

THE BILL WOULD EMPOWER THE EXECUTIVE TO LINK OUR ECONOMY WITH AN INTERNATIONAL CARTEL SYSTEM

According to a statement of Valery Giscard d'Estaing, French Minister of Finance (the New York Times, Mar. 28, 1962), the application for tariff-free trade between the EEC and the United States will require many new international rules in fields other than tariffs. He declared that modern industrial nations such as those of the EEC could accept free trade only if they committed themselves to common policies and rules in many aspects of the economy besides trade. This, as he emphasized, is a key principle of the Treaty of Rome, less than one-fifth of whose 248 articles deal with tariffs.

The realism of the French is instructive regarding H.R. 9900 because they are participants in the economic policies which characterize competition or the absence thereof

[1] Report of the Joint Economic Committee of the Congress, "Foreign Economic Policy for the 1960's," Jan. 17, 1962, p. 22.

[2] Statement of Sidney Zagri before the Ways and Means Committee, Mar. 27, 1962, p. 8.

in Europe. The French Minister of Finance speaks knowledgeably, therefore, when he warns that international agreement will be required on "coordination of major investments, 'moralization' of international competition, creation of a joint body with power to prevent and punish 'disloyal' commercial practices, solution of the problem of agricultural surpluses," and a common policy toward the rest of the world. Acceptance by the United States of the requirements enunciated by the French Minister would call for an abdication of U.S. sovereignty to an international tribunal by trade agreement, not subject to ratification by the Congress.

Succinctly the Minister laid emphasis on the consequences of a free trade approach as envisaged by administration policy: "For wherever economic liberty is extended must appear a common economic policy."

It has been a common practice of European cartels to control competition by limitation of production, price fixing and allocation of markets. The common economic policy mentioned by the French Minister can realistically mean only that the United States must be prepared to accept as part of the international economic system it seeks to create through tariff elimination the workings of the highly developed European cartel system. There is no indication that the EEC nations intend to eradicate the cartel system. The Treaty of Rome significantly provides for the prohibition of "private cartels and other restraints unless they foster the improving of production or distribution or technical and economic progress." Few cartels will be eliminated on the basis of that test. There are other exceptions in the Treaty of Rome to preserve those who fail to qualify under this provision.

Thus, in giving the President special duty-eliminating power for negotiations with the EEC, H.R. 9900 contemplates and intends that ultimately the United States will participate in Europe's international cartel trading system. In effect, the bill commits the United States to the achievement of the purposes of the cartels, notwithstanding the obvious fact that in operation and purpose, the cartels conflict with U.S. policy against combinations in restraint of trade.

THE BILL CONTEMPLATES GOVERNMENT PRICE CONTROL

Under Secretary of State Ball has indicated that under H.R. 9900 the administration would attempt to bargain with European nations to prevent them from fixing agricultural prices of their presently subsidized crops in a way which would cause excessive production and exclusion of U.S. exports. He espouses an international price structure on low-cost agricultural imports through a system of variable levies which would fix the price of each imported commodity at the level of the common internal price. Further, Mr. Ball indicated that the administration was prepared to use tariff concessions on industrial products to achieve this purpose.

Thus, to establish a uniform price structure for agricultural commodities in Europe in order to benefit U.S. agricultural exports, the administration would use the authority granted by H.R. 9900 to reduce industrial tariffs below their impending 10-percent average duty level or eliminate them entirely. To dispose of agricultural surpluses, increased imports of industrial products, and increased unemployment in selected industries would be caused. To the dollar cost of our agricultural programs, the administration now proposes to add the human and economic costs of unemployed and uprooted industrial workers, distressed industries, and depressed communities.

Similarly, the administration frankly states its intention to use the tariff reducing or eliminating authority of the bill to place pressure on domestic price levels to bring about "lower prices." The significance of these declared intentions should not be underestimated. In an address in New York City on October 12, 1960, President Kennedy frankly acknowledged: "Frequently imports may be only a relatively small percentage of our domestic market, 2 or 3 percent, but it breaks the price for the other 97 percent."

It is plain that the administration intends to use the considerable authority requested in H.R. 9900 to apply this principle of price control by increasing imports in broad product categories, as an experiment in price control both in domestic and foreign markets.

THE BILL PERPETUATES A BARGAINING DISADVANTAGE BY FORFEITING LEGISLATIVE RATIFICATION

The problem of negotiating effectively with other nations would be aggravated by the limited ad referendum authority of foreign delegates whose actions are subject to legislative approval, in contrast with the Executive's power to commit the United States to trade agreements without referral to Congress.

As an example, the German negotiators must secure the approval of GATT actions by the German Parliamentary Foreign Trade Commission. Other foreign countries, members of GATT, also negotiate with the United States on an ad referendum basis; i.e., on the clear understanding that they are not bound by concessions granted until their appropriate legislative body ratifies the actions of their negotiators.

A recent illustration of the disadvantage which the United States suffers in this respect is shown by a statement of Maurice Brasseur, Foreign Trade Secretary of Belgium (dispatch, Brussels, Daily News Record, New York, Mar. 28, 1962) that his Government "has firmly decided to impose restrictions on United States exports to Belgium by means of annulling existing, or contemplated concessions," in retaliation for the action of the President in accepting the Tariff Commission's finding of injury and recommendation for a restoration of the statutory tariff on Wilton and velvet carpets. M. Brasseur pointed out that Belgium has not yet ratified the recent GATT agreement (the Dillon round of tariff reductions), or the International Cotton Textile Agreement. Thus Belgium has room for maneuver.

To bargain as an equal in this respect, the U.S. negotiators should also be required to secure congressional ratification of trade agreement actions.

H.R. 9900's grant of total power to the President is contrary to actual parity of negotiating power between nations, since other nations possess a measure of flexibility through legislative ratification proceedings which we lack due to the Executive's insistence that his actions be above congressional recall.

THE BILL UNSOUNDLY REVERSES PUBLIC POLICY BY INTENDING THE CREATION OF WIDESPREAD INJURY

The use of the powers requested in H.R. 9900 would injure the United States. The content and structure of the bill admits as much. Nearly two-thirds of the bill is devoted to machinery and measures for attempting to adjust, retrain, relocate and succor injured workers and firms.

Throughout the history of the trade agreements legislation, Congress and the Presidents concerned have stated that the authority granted to the Executive for the reduction of duties would be used selectively so as to avoid causing serious injury to domestic producers and workers. Now in a sharp reversal of policy this bill proposes that injury occur and creates several forms of disaster relief to deal with the distress on a large scale. The peril point and escape clause provisions, established "to make assurance doubly sure" that injury would not occur, are replaced by provisions which are not designed to prevent serious injury to workers or industries.

The trade agreements made under the existing safeguards cannot be considered completely unsuccessful. The United States has consistently exported more merchandise than it imports. No compelling reason is given for the reversal of our long established "no injury" policy. The balance of payments crisis which some cite as justification for a revolution in our trade agreements machinery and authority is the product not of our trading experience on merchandise, but of two entirely unrelated factors: the continuing large expenditures by the United States for foreign military assistance and economic aid; and the action of foreign countries in placing the dollars received from the United States in their ever-growing reserves rather than spending those dollars for additional goods and services from the United States.

During the presidential election campaign the President, then Senator, Kennedy recognized this situation in remarks made in a telecast on October 4, 1960:

"Actually, as far as trade, we have a favorable balance of trade. In the last 12 months we are selling abroad more than we are importing, and that is true of steel as well as other products. One of the reasons of course, I am frank to say, is because the German and Belgian mills are overordered and it takes a longer time to get orders than it does from the United States. But at least for the present now we are selling abroad in steel as well as other commodities more than we are importing. But I do think it is a matter that we should concern ourselves with. The unfavorable deficit is due to the fact that we are paying troops abroad to maintain bases, giving foreign aid. That is what is hurting. The balance of trade this year is all right."

In view of our favorable balance of merchandise trade, it must be recognized that H.R. 9900 represents a calculated intention to create domestic unemployment in selected industries in order to increase imports sharply and thus to provide more dollars for an enlargement of our merchandise export surplus to help meet our balance-of-payments deficit. In view of the existing unwillingness of foreign countries to expand their dollar receipts for exports from the United States, it is doubtful that these extreme measures would have any effect except to increase the burgeoning foreign claims against our gold reserve.

It is important that we also recognize that the EEC nations and other countries who would benefit from the reduction or elimination of U.S. duties are for the most part suffering from acute labor shortages, in contrast to our persistent high level of domestic unemployment.

It is shocking that the administration should propose a bill which intends to create additional unemployment in the face of the recognition by the Department of Labor itself that unemployment "is proving to be one of our most intractable domestic problems."[3] Furthermore, weak job recovery in manufacturing is one of the principal reasons cited by the Department of Labor for continued high levels of unemployment, long after the turning point in economic activity was reached in 1961.[4]

So grave is the economic distress resulting from unemployment in many parts of the country that at the very time that this committee is considering an unemployment generating bill like H.R. 9900, another committee of the House of Representatives (Public

[3] "Unemployment in the Early 1960's," Bureau of Labor Statistics, U.S. Department of Labor, appearing in report, Subcommittee on Economic Statistics, Joint Economic Committee, Nov. 29, 1961.

[4] Ibid., p. 53.

Works) is considering an urgent request from the President for the immediate approval of a $600 million public works program. This request results from the realization by the administration that the forecasts of its economists concerning the pace of economic activity in 1962 were too optimistic and that drastic measures are required to cope with the many pockets of distress caused by persistent unemployment.

The same Government economists now forecast that the actions to be taken under H.R. 9900 would create more jobs than they destroy. There is a major difference in this type of forecast. Errors in economic projections can be corrected by adjusting forecasts to the facts. But errors which result in the liquidation of industries, and in the creation of unemployment and distress in communities dependent upon idled manufacturing plants are not so readily corrected. Under H.R. 9900, these errors once committed are beyond recall. One of the conditions imposed by section 305 of the bill for any restoration of duty is that "prolonged and persistent inability of firms to operate at a profit" exists "on a widespread basis in the industry" affected. This realistically means that the injured firms would be bankrupt before relief could be granted. At that point relief would be futile.

Retraining of workers as proposed by the bill has been demonstrated by private industry to be impracticable. The Department of Labor itself has recently reported that our unemployment rate, now at its highest level since 1940, is due in part to the inability of workers displaced by industrial shifts to be reabsorbed into other jobs immediately. There is, in the words of the Department, "a very pronounced and continuing trend toward fewer jobs in agriculture and fewer blue collar jobs in manufacturing, mining, and transportation."[5] The Department states that mobility may be exceedingly difficult and structural unemployment may be of very long duration.[6] Among the basic changes cited by the Department in its analysis of structural unemployment are the possible decline in an industry because of foreign competition and the relocation of an industry in a different geographical area.

In the face of these known conditions pertaining to persistent unemployment, at disturbingly high levels in the United States, and the marginal results from retraining, it is madness to propose an unemployment-generating departure from our trade agreement policies. This is particularly true when the basis of the proposal is a mixture of assumptions and hope that the dollars received by foreign nations for the increased imports which would be stimulated under the new approach would be spent for increased U.S. exports in a measure sufficient to offset the resulting domestic unemployment, and sufficient to offset the foreign aid dollars so tenaciously held in the reserves of foreign countries.

CONGRESS CANNOT KNOW THE FULL MEANING OF THE KEY CONCEPTS IN THE BILL'S UNPRECEDENTED DELEGATION OF POWER

(a) Composition of EEC: Important powers would be given the President by H.R. 9900 for use in negotiations with the European Economic Community. The life of this authority would be 5 years. The composition of the EEC will change during that period. Section 246 of the bill defines the European Economic Community as all countries which at the times in question are committed to achieve a common external tariff through this instrumentality. Many nations have applied for membership in the EEC; others, for associate status. According to one source there are now some 31 nations actually or potentially represented in the EEC, including some former colonies of present members.

Congress cannot know, therefore, when it considers H.R. 9900 what particular grouping of countries will determine the scope of the power which the bill would grant to the President for dealing with the EEC and for making the various determinations based upon its composition and the trade of its members and associates.

(b) Categories subject to duty elimination: Section 211 of the bill empowers the President to eliminate duties entirely on commodity groups in which the exports of the EEC and the United States account for 80 percent or more of world export value. Obviously, the increases in the nations identified with the Common Market, as explained above, will affect the range of products subject to this total duty removal authority.

There are other uncertainties which make it impossible for the Congress to know which categories of products it is subjecting to future duty-free treatment under this delegation:

1. Since the basic concept of the peril point and escape clauses of the existing law would be eliminated by H.R. 9900, and the matter of items reserved from duty change left entirely to the discretion of the President without any statement of guiding principles, the Congress cannot know what product categories, if any, would be removed from the scope of this power due to any consideration of the economic consequences involved in transferring them to the free list.

2. The definition of product categories subject to duty elimination in negotiations with the EEC under this bill would be in accordance with a United Nations publication, the Standard International Trade Classification. This publication is subject to revision from time to time without regard to the wishes of the United States. These revisions could narrow or broaden the category descriptions. Thus the Congress cannot know now what the authority it would delegate really means, or what it would mean at those times in the next 5 years when the President would undertake to reduce or eliminate duties on SITC categories in negotiations with the EEC. This great uncertainty as to exactly what authority the Congress would be giving to the President under section 211 of the bill results from the fact that the definition of the categories, and hence the scope of the authority delegated would be placed in the hands of an international body without limitation.

Furthermore, the Standard International Trade Classification commodity descriptions do not conform to our Tariff Act commodity descriptions, nor to those used in our trade agreements. Finally, they do not conform to the commodity classification descriptions used in our foreign trade statistics. Thus, the exact content of the Standard International Trade Classification descriptions is unclear. Their scope is vastly greater than any of the commodity descriptions which have been used in either our tariff law or in our trade agreements to identify the dutiable treatment to which U.S. imports are subject.

3. The computation of world export value for the purpose of determining which commodity groups fall within the 80-percent test referred to above is itself uncertain. The revised Standard International Trade Classification indicates that countries accounting for 20 percent of the value of world trade do not subscribe to the classification. Hence it will be impossible in any event to have complete statistical information available to make the 80-percent determination. An even greater uncertainty is produced by the fact that under the statistical practices of our own Government, as well as EEC nations, there are included in the value of exports reported under Standard International Trade Classification classifications, the value arbitrarily assigned to exports of surplus agricultural commodities and other products donated to less developed countries. The value of exports by gift is not an appropriate part of the measurement of factors used to determine the transfer of commercial articles imported into the United States from the dutiable to the free list.

4. To add to these formidable uncertainties which prevent the Congress from knowing the full scope of the authority it is asked to delegate by H.R. 9900, section 211 provides that the 80-percent test is to be calculated on the basis of a representative period. This may be any interval of time following December 31, 1956, and extending up to any of the moments of time at which the President, from time to time, may determine to act.

While the bill provides for the President to be advised by the Tariff Commission what it thinks the representative period should be, he is not obliged to accept such advice. The President may select as short or as long a period as he wishes. He can select different periods for each category on which he proposes to negotiate. A more uncertain standard could not be imagined.

Under H.R. 9900 the President's advisers would be free to rummage in the foreign trade statistics extending over a period of years to select those months, quarters, or years in which export values fortuitously would serve to bring as many categories as possible within the 80-percent test. Thus, by the representative period language of the bill, the President is left free to maximize the power delegated under section 211 to effect a total elimination of duties in negotiations with the EEC.

5. One of the greatest uncertainties under section 211 is that Congress cannot know what industries and commodities will be affected under the Standard International Trade Classification commodity classifications. Hence the Congress cannot know the full significance of the authority granted to the President to eliminate duties on all articles in such categories.

The enormous scope of the Standard International Trade Classification product descriptions will inevitably result in subjecting many industries whose products are within the scope of a single broad Standard International Trade Classification category description to elimination of duties on the basis of statistics having little or no relationship to trade in their products. A few illustrations should suffice to make this point:

(i) Standard International Trade Classification Group 512 covers all organic chemicals. This defines a group of products numbering in the thousands representing the highly interdependent production of an industry the majority of whose products were not known 10 years ago, and a great part of whose products 5 years hence are only just now coming into commercial production. At any moment of time which the President might select under the wide-ranging representative period authority, only a relatively few products would be importantly involved in export trade statistics. Under the 80-percent test, the trade in those products would serve to expose the entire product line, present and future, of this essential industry to duty-free import competition.

(ii) Standard International Trade Classification Group 651 covers all textile yarn and thread, regardless of fiber. Thus, the completely separate manufacturing industries engaged in the spinning and throwing of silk, wool, cotton, flax-hemp-ramie, man-made fiber, and glass fibers could suffer the total elimination of duties on competitive imported products on the basis of export value statistics concentrated in only one or a few of these product lines. The export statistics on flax, hemp, and jute yarn, for

[5] Ibid., p. 79.
[6] Ibid., p. 69.

example, could influence an 80-percent determination affecting cotton or wool yarns.

(iii) SITC Group 653 covers broad-woven fabrics whether knitted or woven, composed in whole or in part of silk, wool, linen, jute, or manmade fiber. Members of this committee are aware that jute fabrics are generally produced in different mills than wool and worsted fabrics. The mills producing silk fabrics are distinct from both of these. There is a large production of jute fabrics in this country for use as backing for carpets, linoleum, bagging, etc. The mills weaving and knitting manmade fibers are an important segment of the textile industry. There is but slight relation between woven fabrics of glass fibers and crocheted fabrics of silk or manmade fiber, or between fabrics of horsehair or jute, and knitted fabrics of wool. Yet under the standards of section 211 of H.R. 9900 the value of exports of one type of fabric may be used as a measure on which duties on the others may be eliminated. Jute fabric exports may serve as a factor for reduction of woolen and worsted duties. There is no rationality in such an approach to duty reduction or elimination.

(iv) SITC Group 841 covers all clothing and apparel regardless of fiber content, and whether composed of knitted or woven fabrics. The group includes inexpensive articles, such as those made from cotton fabric as well as expensive custom-tailored garments produced from costly worsted fabrics. This category also covers all clothing including clothing made from all natural and manmade fabrics as well as apparel of leather and of rubber. The relationship of exports of apparel of rubber to handkerchiefs, and of leather apparel to women's knitted underwear is not adequate to supply a measure for the reduction or elimination of duty on one based on the value of exports of the other. All of the products falling within this vast range will be made vulnerable to total loss of duties on the basis of exports recorded for the relatively few products which were exported in volume.

The selective negotiations required under existing law permitted an evaluation to be made of the economic consequences to the industry and workmen affected by changes in duties applying to particular commodities. Under H.R. 9900 it will be impossible to measure economic consequences to all of the diverse manufacturing industries included within the broad SITC classifications. The only certainty that attaches to this feature of H.R. 9900 is that many industries which cannot be known to the Congress when it passes on the bill can be subjected to severe injury on the basis of a category which includes trade in products totally unrelated to their operations.

(c) Trade with Communist nations:

The United States has a long-established public policy against the export of goods to Communist bloc nations which would strengthen their ability to commit aggression. Section 211 of H.R. 9900 would include the value of all exports from the United States and the EEC including such strategic commodities exported by the EEC to Cuba, Red China, Yugoslavia, Poland, Russia, and other Communist countries. In identifying the commodity groups subject to total elimination of duties by the President, the Congress cannot now know what significance EEC exports of strategic articles to Communist nations would have in the application of the 80-percent test. It can be certain that virtually every category will include some articles which are strategic. Congress therefore cannot know whether the authority it is asked to grant to the President in section 211 would not in fact be used contrary to the public policy in the Battle Act by giving substantive effect to commerce which we have forbidden to our own merchants and have tried unsuccessfully to persuade our allies in the EEC to similarly forbid.

It is probable that U.S. production of strategic goods will be subjected to increased imports in a damaging volume as a result of the elimination of duties under the authority in section 211 because illicit trade in such articles with the Communist bloc becomes a part of the statistical determination under which the commodity classifications subject to section 211 are identified.

This bill contains other provisions actually or potentially favorable to the Communist countries. Section 248(c) repeals section 11 of the Trade Agreements Extension Act of 1951 providing for an embargo against the importation into the United States of furs and skins from Russia and Communist China. This reversal of policy is consistent with the recommendations of a preinaugural report prepared for the President by a group under the chairmanship of the present Under Secretary of State, George Ball. That report, according to press accounts, favored the grant of authority for the President to suspend the embargo on furs and suspend discriminatory tariff treatment for Soviet bloc imports.

The repeal of section 11 of the 1951 act accomplished one portion of the Ball task force recommendations.

The extension of most-favored-nation treatment to Soviet bloc imports, recommended by the Ball task force, could be accomplished for at least some Communist countries by the President's determination of the countries subject to section 231 of the bill. Under Secretary of State Ball declined to give the committee a categorical answer as to whether or not he was in favor of U.S. trade with Communist nations. He appeared to find a distinction between Yugoslavia and Poland on the one hand and Soviet Russia on the other. This may imply a disposition on the Under Secretary's part to suggest to the President that imports from Yugoslavia and Poland should be granted most-favored-nation treatment in accordance with the tenor of the task force report to President-elect Kennedy. As the bill is drafted Congress cannot know to what extent the President might relax the existing public policy withholding most-favored-nation treatment from Communist bloc imports.

(d) Duty elimination on products of agricultural commodities:

Under section 212 of the bill the President may under a trade agreement with the EEC eliminate duties entirely on imports of all products of agricultural commodities if he decides that such action would tend to maintain or expand U.S. exports of either the products in question or the commodities from which they are produced.

The Congress cannot know at the time it considers this bill how expansively the President will interpret the broad concept of "products of agricultural commodities." Products of raw cotton include innumerable articles such as apparel, house furnishings, fabrics, etc. Products in finished form for sale to consumers fall within the scope of this provision. To what extent are finished articles composed in part of products of agricultural commodities also subject to duty elimination? It would always be possible for the President to rationalize that duty-free treatment of finished articles made in whole or in part from an agricultural commodity could tend to maintain or expand U.S. exportation of the agricultural commodity, such as raw cotton.

It is only necessary to reflect upon such key agricultural commodities as cotton, wool, cereals, fruits, meat, tobacco and sugar to visualize the far-reaching extent of the power which section 212 of the bill would grant to the President. Cotton textiles, wool products, shoes, confectionery, beer and alcoholic beverages, wines, tobacco products, edible oils, industrial alcohols and processed food products are among the most sensitive items of foreign trade. They could all be placed on the free list if the President chose to so interpret section 212. So versatile is our industrial economy in utilizing agricultural materials and the products thereof that it is impossible for the Congress to know the exact extent of the power involved in section 212 to place on the free list manufactured articles containing agricultural products.

(e) Quantitative restrictions:

H.R. 9900 is directed essentially to negotiations on tariff duties. It is acknowledged that the principal barriers to U.S. exports are the quantitative restrictions and other nontariff measures imposed by foreign countries against U.S. exports.[7] After nearly 30 years of trade agreement activity in which the level of U.S. duties has been reduced from an average of 50.1 to 12.2 percent, the United States finds itself in a position where the concessions it has received from other countries have been substantially nullified by quotas, embargoes, licensing regulations, exchange controls and other nontariff measures.

Congress cannot know when it considers H.R. 9900 whether the authority which would be granted to the President by the bill, if enacted, would not similarly be wasted by the nullification techniques practiced on a wide scale by our trade agreement partners.

(f) The myth of the 5-year staging period for reductions in duty:

The notion has been sponsored by the administration that H.R. 9900 contemplates reductions in duty spread over 5 years. There are four important bases on which some of the reductions or eliminations of duties authorized by H.R. 9900 could take effect in less than 5 years:

1. Any duty equivalent to 5 percent ad valorem or less may be eliminated forthwith.

2. Duties on tropical agricultural and forestry commodities and the primary products thereof may be eliminated forthwith.

3. Any reduction in duty of 25 percent or less may be effected forthwith.

4. Any duty may be reduced in any one year up to 5 percent ad valorem.

Only on duties now amounting to more than 40 percent ad valorem will 5 years be required to effect a 50 percent reduction in duty. The great majority of our duties today are less than this amount.

It is impossible for the Congress to know to what extent, if at all, the administration would choose to use the authority in H.R. 9900 so as to distribute the reductions or elimination of duty over 5 years. It is clear that in many, if not the majority of instances, this asserted 5-year staging period will not, or need not under the bill, occur at all.

THE MYTH THAT THE BILL CONTAINS PERIL-POINT AND ESCAPE-CLAUSE REMEDIES

Administration spokesmen have sponsored the notion that H.R. 9900 retains peril-point and escape-clause procedures. The fact is that the provisions of the bill which would replace the repealed peril-point and escape-clause procedures of existing law are not designed or intended to prevent the actual or threatened serious injury to workers and industries to which the existing remedies apply.

These remedies in present law are, as this committee well knows, the results of many years development reflecting the most careful balancing of competing interests. Their

[7] See "Trade Restraints in the Western Community," Subcommittee on Foreign Economic Policy, Joint Economic Committee of the Congress, Dec. 1, 1961. See also Fifth Annual Report of the President on the Trade Agreements Program, August 1961.

origin and purpose lie in the plain desire of both the Presidents and the Congress in past extensions of the Trade Agreements Act to make certain by positive law that the tariff reducing power entrusted by the Congress to the Executive would be used as the Congress itself would use it if changing tariff rates by legislative act, i.e., to provide for increased access to foreign markets for U.S. exports while at the same time preventing serious injury to domestic industries and workers.

These provisions recognized that the industries and workers who might be benefited by an expansion of exports have no greater claim on the attention of Government than the industries and workers who might be harmed by the expansion of imports which would stem from the tariff cuts used to pay for concessions abroad. Recognizing the tremendous latitude for bargaining which our many hundreds of tariff provisions provide, the Congress directed, through the peril-point and escape-clause procedures, that those particular provisions which immediately prevented serious injury or the threat thereof were not to be reduced. If past reductions produced import injury, the duty level of the particular provisions concerned was to be restored. For compelling reasons based on the national interest, the President was permitted to make exceptions to this statutory rule, but the President was required to explain his reasons for doing so to the Congress.

This bill would discard these carefully developed provisions. In lieu of the actual peril-point findings of present law, section 221 of the bill would provide for advice by the Tariff Commission. The distinction between a finding, which must be followed unless an explanation is given to the Congress, and "advice" is obvious. Advice may cheerfully be ignored; findings of injury may not.

The basis of the advice itself will silence the Commission's voice. In lieu of present law's test of actual or threatened serious injury as shown by a decline in employment, earnings, production, and the like, section 221(b) of the bill requires the Commission to see the probable existence, in combination, of the following factors: "on a widespread basis in the industry of significant idling of productive facilities of firms, of prolonged and persistent inability of firms to operate at a profit, and of unemployment or underemployment of workers."

The substance of each of the clauses quoted above virtually precludes the Commission from speaking until it sees the extinction of an industry. To make the Commission's silence more deafening, the bill requires that each of the indexes of disaster be found probable. The conjunctive requires as much.

Anyone who has had any experience in business knows that the significant idling of productive facilities of firms on a widespread basis in the industry would not occur unless some supervening economic disaster of staggering proportions would occur. Increased imports would have to produce the same effect as a nationwide no-holds-barred strike before the Commission could speak. But this is not all; there must also exist prolonged and persistent inability of firms to operate at a profit. This language is descriptive of bankruptcy. Prolonged and persistent inability of this sort means prolonged and persistent losses. Since this condition too must exist on a widespread basis in the industry, the entire industry would have to be bankrupt before the Commission could even advise the President. Even then, the President may ignore the advice. This is a remedy?

The provisions of the bill which seemingly are intended to replace the escape clause are sections 301 and 305, so far as industries are concerned. The many pages of other provisions dealing with loans, grants, retraining assistance, etc., are not in any degree a substitute for escape-clause relief, since they accept the fact of serious injury. Instead of adjusting imports to remove the injury, they attempt to pacify the workers by a form of dole, and bureaucratic decisions enforced by monetary allowances that the workers should go somewhere else and learn some new trade, regardless of age, talent, family or community ties.

First of all, section 301 makes it clear that ordinarily an industry suffering import injury will not be helped by regulation of the offending imports. This will be done only in extraordinary cases; hence a new term "extraordinary relief" is used.

The term is well chosen. The conditions specified in section 305 are so unlikely or impossible of practical application that it will indeed be "extraordinary" if action is ever taken under section 305. To cap the curious essence of this provision, section 351 of the bill provides that such "extraordinary relief" as the President may grant under section 305 will ordinarily lapse by force and effect of the bill in 4 years.

So it is clear that sections 301, 305, 351 are not even related distantly to today's escape clause.

The hurdles to be leaped by an industry under these provisions are similar to the impossible conditions of the so-called peril-point advice of section 221, except they are even more impossible—if there are degrees of impossibility. Before action could be taken to restore duty reductions or eliminations, the industry concerned must prove that increased imports have already caused on a widespread basis, the significant idling of plants, prolonged and persistent inability of the firms in the industry to operate at a profit, and unemployment or underemployment of workers; or that imports "immediately threaten to cause" such an inseparable trinity of total disaster. How can it be found that imports immediately threaten prolonged and persistent inability of firms on a widespread basis in the industry to operate at a profit? How can anyone read "immediately" as a modifier of "prolonged and persistent"?

But there is more. If an industry whose firms have suffered prolonged and persistent losses, whose plants have been significantly idled, and whose workers are unemployed or underemployed is still in existence and able to muster the financial and managerial effort to launch an investigation before the Tariff Commission, it must first go through a period of unspecified duration in which it makes reasonable efforts to adjust without success. Since the idling of plants and prolonged period of losses must occur before the reasonable efforts to adjust are made by the industry, the period required for the latter would seem to bring any ordinary group of firms subject to the discipline of profit and loss accounting to the stage of liquidation before all the conditions precedent to Tariff Commission consideration could be satisfied.

The "modified" escape clause offered by the bill is thus seen on close examination to be no remedy at all. It is a delusion.

THE MYTH THAT THE DUTY-ELIMINATION POWERS IN THE BILL ARE DESIGNED FOR THE EEC

The bill contains four different kinds of authority for the complete elimination of duties (secs. 211, 212, 213, and 202). Three of these are stated to be for use in trade agreements with the EEC or in connection with commitments by the EEC. The notion thus is fostered, that duty elimination under these powers is a matter for assessment primarily in terms of United States-EEC trade.

Unfortunately, the most-favored-nation principle of the bill, section 241, will automatically make all duty eliminations or reductions granted to the EEC available to Japan and other low cost nations of the world.

Japan has demonstrated the industrial capability of mass producing virtually any article of importance in international trade. Japan's cost base is lower than that of Europe. Not only will Japan reap the full benefit of all concessions granted by the United States to the EEC, but she will not be required to take any action in reducing her own duties or in dismantling the system of import licensing and exchange control regulations which so effectively block out many U.S. exports.

Finally, Japan's cost advantage over Europe will cause the EEC's payments (such as they may be) for our reductions or eliminations of duty to be unrequited, as Japanese imports will preempt Europe's opportunities in the U.S. market.

In view of Europe's recalcitrance in extending most-favored-nation treatment to Japan (witness the reservations still in force under article 35 of GATT), it is inevitable that Japan will reap the benefits of European tariff trading with the United States. From the point of view of United States industries and workers, however, the Japanese competition will be more drastic and severe simply because Japan's cost advantage is so much greater than Europe's, though the latter's edge over U.S. costs is significant in itself.

The point is that the bill launches unprecedented new duty elimination powers on a wholly false premise. To the many uncertainties already described in this statement, there must be added the inability of Congress to know whether any of the drastic actions it is asked to authorize for the benefit of the Common Market would ever prove to be anything other than an accelerated means of turning the United States market for manufactured goods over entirely to Japan and other low cost nations of Asia.

THE BILL DIRECTLY CONFLICTS WITH MANY PUBLIC POLICIES ESTABLISHED BY CONGRESS

The bill directly conflicts with many public policies established by Congress:

H.R. 9900 directly contradicts at least five major pronouncements of public policy established by the Congress:

1. Section 6 of the Trade Agreements Extension Act of 1951 declares in unmistakably clear language that no duty reduction "shall be permitted to continue in effect when the product on which the concession has been granted is, as a result, in whole or in part, of the duty or other customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products."

This is the cornerstone of our trade agreements program. Without proof of necessity; without respect for the affirmance of that principle by Presidents Truman and Eisenhower and three Congresses, the administration brushes it aside as though the careful consideration given by so many to that principle is unworthy of its acceptance. The large burden of proof which should be required by anyone substituting Federal bureaucratic planning of the economy and the dole for the maintenance of existing industries, jobs, and communities is dismissed by statements which amount to no more than the fact that other nations would be happier in negotiating with us if the Congress would declare in advance that the President may give them everything they want without exception.

2. Sections 2 and 15 of the Fair Labor Standards Act declare that the movement in commerce of goods produced by workers paid wages below our legal minimum or under hours exceeding our maximum hours permissible without payment of overtime, is detrimental to the health, efficiency, and well-being of our workers, burdens commerce, and constitutes an unfair method of

competition. The act does not allow such goods to be shipped or even offered for shipment in commerce. Violations are punishable by fine and imprisonment.

It is common knowledge that virtually all foreign goods imported into the United States are produced abroad under conditions where the workers are paid less than our legal minimum wage, and frequently under hours which exceed our legal maximum hours without payment of overtime. The tariff provides the only means for adjusting the labor cost content of such goods so that their movement in commerce in the United States will not produce the effect prohibited by the Fair Labor Standards Act. As that Act makes clear, the very movement in commerce of goods produced under such conditions threatens the well-being of our workers.

Nevertheless, the administration is proposing by H.R. 9900 not only to reduce duties without any attention to this public policy, but worse, to eliminate duties entirely on at least four broad categories of articles.

When the fair labor standards amendments were enacted last year, the Members of Congress were concerned that the increase in our legal minimum wage could injure industries whose wage scales were directly affected. The Congress expressed its concern by incorporating a new provision in the law requiring the Secretary of Labor to investigate unemployment caused by foreign competition (sec. 3, Public Law 87-30). The Senate Committee on Labor and Public Welfare showed its concern by considering the possibility of injury from imports and extensively commenting on the subject in its report on the bill (S. Rept. 145, 87th Cong.). The report admitted that "the position of low wage firms competitive with foreign producers may tend to be adversely affected if a minimum wage change were to result in higher prices." It concluded that "it may be expected that a moderate increase in the minimum wage will not have extensive adverse effects on the ability of U.S. firms to compete with foreign producers." But note well, how closely balanced the committee's judgment was: It obviously conceded that some adverse effects would occur. The committee's judgment was premised on the status quo of the cost factors, including tariffs, which were involved.

Now the administration, in the face of the concern expressed in the course of congressional action on increasing the minimum wage, proposes to affect drastically the cost relationships, by the elimination of many duties, and the reduction of others by 50 percent.

Here indeed is a classic example of one arm of the Government not knowing what the other is doing. To what purpose the public policy in the Fair Labor Standards Act against even allowing goods produced under substandard conditions to move in commerce, if all adjustment factors for imported goods in this class are to be swept aside? The Congress with equal logic could repeal the Fair Labor Standards Act. To what purpose the anxious attention by Congress to the harmful effects on our industries and workers of an increase in the minimum wage vis a vis foreign competition, if during the very same Congress the administration proposes distortions of the competitive (cost) relationships even more drastic than the increase in the minimum wage, namely, the elimination of all duties?

3. Section 2 of the Employment Act of 1946 declares it to be the policy of the United States to use all of its resources to create "conditions under which there will be afforded useful employment opportunities, including self-employment, for those able, willing, and seeking to work, and to promote maximum employment, production, and purchasing power."

H.R. 9900 directly conflicts with this policy, because it will cause unemployment in a definite known way, namely, as a result of the great increases in imports it intends to create. It provides elaborate machinery to attempt to offset this by retraining workers and moving them to other places of work in the face of the Department of Labor's opinion that this technique is of only limited effectiveness. It indulges the hope that employment would be generated in export industries, in the face of the certain knowledge which it has that foreign nations tend to place dollars received from the United States in their reserves rather than increasing their expenditures for U.S. exports. Consequently, H.R. 9900 violates the spirit of the Employment Act.

4. Section 2 of the Small Business Act of 1958 declares that the economic well-being and security of the Nation cannot be realized unless the actual and potential capacity of small business is encouraged and developed.

H.R. 9900 works directly contrary to this policy by asking for authority to eliminate duties on industrial products of interest to the EEC (and to Japan, as explained above). The consequences of this are visualized by the draftsmen of the bill, as shown by the elaborate machinery provided in the bill to retrain workers and move them to labor markets where the few industries able to compete with the EEC and Japan are located. Statements of administration spokesmen make clear that these are the automated efficient mass production industries. By their very nature, considering the large aggregations of capital required for the creation of the automated mass production facilities characteristic of those industries, the new havens of employment for the import-unemployed will be industries which cannot be classified as small business. By definition, the small business concern cannot command the aggregations of capital needed for mass production facilities of this class. Hence, the bill will encourage and accelerate movements in the direction of mergers, combinations, and creation of large business, and the elimination and destruction of small business. In concept and operation, the bill will undermine the public policy expressed in the Small Business Act.

5. Section 2 of the Area Development Act of 1961 declares it to be the policy of the Congress to overcome unemployment and underemployment in communities suffering substantial and persistent misfortune of this type by assisting in the establishment of stable and diversified local economies and by developing and expanding new and existing facilities rather than by merely transferring jobs from one area of the United States to another. The report of the House Committee on Banking and Currency (H. Rept. 186, 87th Cong.) eloquently sets forth the reasons why retraining and relocation of workers (such as envisaged by H.R. 9900) is an unacceptable policy:

"However, the basic fact remains that it is illogical to expect a community hit by the loss of basic industry and bearing the burden of high unemployment to lift itself by its own bootstraps. One of the inevitable results of persistent and substantial unemployment is an erosion of community assets and public revenues. * * *

"Your committee rejects the view that nothing should be done to aid communities and areas with basic economic problems. It disagrees completely with those who feel that the Government should sit by and let unemployment force people in these hard-hit places to abandon their homes and move elsewhere in search of jobs. Not only is this a callous attitude which ignores the feelings of the people involved but it is a shortsighted attitude. Tremendous sums are invested in homes, schools, and other facilities in these areas, as well as in factory and commercial structures, and it would be wasteful indeed to simply abandon them. Our growing Nation needs all its productive facilities and every effort must be made to put them usefully to work.

"The migration of workers from distressed areas is not an adequate answer to the problem. Families are often reluctant to leave their homes and social ties while businessmen find it difficult or impossible to transfer their investment in plant and equipment from one place to another. Moreover, such migration often entails considerable hardship. For example, it frequently happens that a worker will move to another city in search of employment. Often he moves by himself since he cannot afford to take his family with him. He may find a job at first but often the job is not satisfactory because he lacks the appropriate skills, and he runs the further risk of lacking seniority or security in his new job. In a time of general economic contraction this worker may find himself quickly unemployed and forced to return home. In effect, this community must bear some of the unemployment problems of other cities."

The policy of the Area Development Act is to try to create conditions in the localities where unemployment exists which will stimulate employment. The thrust of H.R. 9900 on the other hand is to try to move workers away from their communities to those more sophisticated labor markets where the highly efficient mass production industries operate. The policy of Congress now is to place great value on existing communities, and the homes, churches, businesses, and factories in those communities. The policy it is asked to enact by H.R. 9900 is to place little or no value on existing communities or facilities, but rather to uproot their citizens, move them away, and leave a disabled shell of a community behind.

Many communities are dependent upon the production of a single commodity or class of commodities by a small business concern, or by a plant of a multiproduct, multiplant large corporation. The large company may survive the liquidation of one line of its business, and of the plant involved in its production, without suffering the prolonged and persistent overall losses specified in the bill. But the workers in that single plant, and their community where it is located, cannot similarly survive.

The existing trade agreements law with its central concept of avoiding serious injury to industries and workers is fully consistent with the save-the-community approach of the Area Development Act. H.R. 9900 is in clear conflict with both.

CONCLUSION

H.R. 9900 should not be enacted.

Without cause it scraps the whole body of legislation on which our trade agreements program is based.

It sacrifices the painstaking balancing of competing interests achieved by two Presidents and three Congresses in developing the safeguarding peril-point and escape-clause procedures in 1951, 1955, and 1958.

It would result in abdication by the Congress of its constitutional responsibility to regulate foreign commerce; it supplies no guiding or limiting standards for the unprecedented delegation of authority its duty eliminating and reducing provisions entail.

H.R. 9900 in its text and in the premises on which it is based is contrary to the statements of President Kennedy during the presidential campaign, and before the Ball Committee preinaugural recommendations that (a) "sweeping changes in our foreign trade policies are not necessary" (letter to Gov. E. F. Hollings, Aug. 31, 1960); (b) "I supported the peril-point and the escape clause, both of which are in the present Reciprocal Trade Act. I would not suggest additional legislative action, however, on reciprocal trade" (TV broadcast, Portland, Maine, Sept. 2, 1960); (c) "I don't want to see any domestic industry driven to the wall

by excessive imports and that is my general view" (TV broadcast, Portland, Maine, Sept. 2, 1960); (d) "not only has inflation kept us out of markets abroad, it has priced us out of markets here at home. For example, as the result of the near doubling of steel prices in the last decade, the United States—a nation with the largest steel-producing capacity in the world—has imported substantial quantities of steel and steel products. For it is, in many cases, cheaper to buy steel overseas and ship it here than to buy it from domestic producers. More than a year ago a high financial official of the Government was quoted in the Wall Street Journal as saying, 'the Germans and the Swedes—and even the Japanese—can lay down barbed wire and nails in Duluth at less than the U.S. manufacturers can sell it. And we make steel in Duluth' " (address, Philadelphia, Pa., Oct. 31, 1960); (e) "I believe that we can protect our domestic industry within present laws, with Presidential leadership, with a knowledge of the problem, with effective workings between the President and the State Department and countries abroad, and with the provisions in present reciprocal trade laws if vigorously, effectively, and responsibly administered" (address, New York City, Oct. 12, 1960); and (f) "there are laws on the books for the protection of agriculture and for domestic industry. I hope we will have a President of the United States who is knowledgeable about those laws, who is interested in them, who is concerned about them, who works with the Congress on these subjects, and also uses his great powers and influence here and abroad in order to stimulate successful trade" (address, New York City, Oct. 12, 1960).

It is contrary to the advice given by former President Eisenhower in commenting on the Nation's foreign trade policy following a conference with former Secretary of State Herter on December 15, 1961:

"While there are difficulties, of course, I am convinced that a steady, gradual liberalization of trade restrictions, with adequate consideration for possible injury, can yield solid benefits for the American economy."

It ignores the major influences on domestic costs exerted by the inflationary pressures of deficit financing and other governmental policies.

It contradicts major public policy established by the Congress in the areas of fair labor standards, full employment, small business, area redevelopment, and foreign trade.

It unrealistically focuses on reduction of U.S. tariffs, now nearly the lowest of all industrial nations, to open markets for U.S. exports ignoring the major barriers to such trade of quotas, licensing regulations and the like by which our trading partners have nullified past agreements to admit our exports.

It intends extensive injury to the U.S. economy and contemplates reorganization of the economy by bureaucratic fiat in callous disregard of the fate of the American workers, industries, and communities injured.

It pledges the United States to partnership in the European cartel system, and proposes to remove all tariff equalization factors which now assist in protecting American business, workers, and consumers from the European and other international combinations in restraint of trade.

It contemplates Government price control in both domestic and foreign markets.

Its key provisions defining the scope of delegated power are vague, indefinite, and subject to exclusive interpretation by the President so that Congress cannot know the full extent of what it is asked to delegate.

It grants dictatorial power to the President over the domestic economy and foreign commerce, without recourse to the Congress, and prohibits any judicial review thereof.

It reverses U.S. policy prohibiting or penalizing trade with Communist nations.

It invites spendthrift use of our negotiating wealth by making all reductions and eliminations of duties granted the EEC freely available to Japan and other low-cost nations of the world.

It authorizes the President to take irrevocable steps toward complete free trade in defiance of known economic facts which show, on theoretical grounds, that the conditions for free trade do not and cannot exist in the United States, and which, on practical grounds, show that economic disaster to countless U.S. workers, industries, and communities is inevitable, if the requested authority is used.

RECOMMENDATIONS, TO BE CONSIDERED AS A UNIT

1. Strike out everything after the enacting clause.

2. Extend the present trade agreements law for a 4-year period.

3. Within present law, give the President additional authority to reduce duties by 20 percent, to take effect 5 percent a year.

4. Strengthen the existing peril-point and escape clause provisions by requiring a finding of actual or threatened injury by the Tariff Commission whenever there exists, or would be imminent, a combination of either (a) a decline in the share of the market supplied by domestic production and a decline in the domestic price level or in domestic industry earnings; or (b) a decline in the share of the market for domestic products and a decline in employment or wages paid in the domestic industry.

5. Provide against the sapping by excessive imports of the rate of growth of industries, by adding to the peril-point and escape clause, as alternate bases for action, circumstances characterized by an increase in imports, the continued expansion of the domestic market, but a decline in the established rate of growth (as shown by investment, earnings, sales, employment, or wage payments) of the industry producing like or competitive products.

6. Direct the President to make a determined use of legislative tools already at hand designed to promote the expansion of U.S. exports without the necessity for new duty reductions. These include section 338 of the Tariff Act of 1930; section 350(a)(5) of the Tariff Act of 1930, as amended; and the provisions of our trade agreements, such as article XXIII of GATT providing for action to prevent or correct nullification of concessions received.

7. Establish a congressional commission, adequately staffed on nominations by the majority and the minority members of the Ways and Means Committee and the Senate Finance Committee, to make a comprehensive study of all the factors relating to our foreign trade position, including:

(a) The development of the EEC;

(b) Our balance-of-payments situation;

(c) The state of foreign reserves of dollars, and the extent to which these reserves could be urged to return in the form of payments for exports;

(d) Discrimination against U.S. exports;

(e) The use by the President of statutory and trade agreement remedies to counteract same;

(f) The effect of discriminations against exports of third countries on the volume of imports into the United States;

(g) The practicability of further tariff concessions under most-favored-nation rules considering the situation of low cost countries vis-a-vis EEC concessions;

(h) The extent to which restrictions imposed by EEC countries against low cost countries forces excessive volumes of imports from the latter into the United States;

(i) An analysis of inflationary influences created by Government policies affecting the cost position of U.S. industries vis-a-vis their principal foreign competition;

(j) An analysis of foreign and domestic costs and prices from the point of view of the adequacy of existing U.S. tariffs to make fair competition in the U.S. market possible; and

(k) A thorough analysis of the effect which elimination of industrial duties would have on domestic employment and on investment in plants and community facilities.

The report of this body should be made 3 years from the date of the bill's enactment, so that it will be before the Congress and the public for thorough study and consideration in any further extension of the trade agreements law 4 years hence.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. WALTER, from April 6 through April 16, 1962, on account of official business, to attend the 15th session of the Intergovernmental Committee for European Migration.

Mr. BREWSTER (at the request of Mr. LANKFORD), on account of illness in family.

Mr. BATTIN from April 6 through April 16, 1962, on account of official business, to attend the 15th session of the Intergovernmental Committee for European Migration.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. DEROUNIAN, for 30 minutes, today, and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. FINO and to include extraneous matter.

Mrs. KELLY, to insert in the remarks she made today extraneous matter and tables.

Mr. BENNETT of Florida in two instances and to include extraneous matter.

Mr. TUPPER.

(The following Members (at the request of Mr. LATTA) and to include extraneous matter.)

Mr. THOMSON of Wisconsin.

Mr. SCHNEEBELI.

Mr. KING of New York.

(The following Members (at the request of Mr. ALBERT) and to include extraneous matter:)

Mr. BAILEY.

Mrs. GREEN of Oregon.

Mr. LESINSKI.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 270. An act for the relief of Mrs. Jeliza Prendic Milenovic; and

S. 1934. An act for the relief of Mrs. Chow Chui Ha.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on April 4, 1962, present to the President, for his approval, bills of the House of the following titles:

H.J. Res. 441. Joint resolution to commemorate the 75th anniversary of the Interstate Commerce Commission.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 34 minutes p.m.), under its previous order, the House adjourned until Monday, April 9, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1906. A letter from the Administrator, Housing and Home Finance Agency, transmitting a draft of a proposed bill entitled "A bill to authorize the Housing and Home Finance Administrator to provide additional assistance for the development of comprehensive and coordinated mass transportation systems in metropolitan and other urban areas, and for other purposes"; to the Committee on Banking and Currency.

1907. A letter from the Comptroller General of the United States, transmitting a report on the review of the management and disposition of acquired properties as administered by the Federal Housing Administration (FHA), Housing and Home Finance Agency; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. POWELL: Committee on Education and Labor. H.R. 10786. A bill to establish standards for hours of work and overtime pay of laborers and mechanics employed on work done under contract for, or with the financial aid of, the United States, for any territory, or for the District of Columbia, and for other purposes; without amendment (Rept. No. 1553). Referred to the Committee of the Whole House on the State of the Union.

Mr. POWELL: Committee on Education and Labor. H.R. 10946. A bill to amend the prevailing wage section of the Davis-Bacon Act, as amended; and related sections of the Federal Airport Act, as amended; and the National Housing Act, as amended; without amendment (Rept. No. 1554). Referred to the Committee of the Whole House on the State of the Union.

Mr. ELLIOTT: Committee on Rules. House Resolution 589. Resolution for consideration of H.R. 10788, a bill to amend section 204 of the Agricultural Act of 1956; without amendment (Rept. No. 1555). Referred to the House Calendar.

Mr. COLMER: Committee on Rules. House Resolution 590. Resolution for consideration of H.R. 1159, a bill to amend the Merchant Marine Act, 1936, in order to eliminate the 6-percent differential applying to certain bids of Pacific coast shipbuilders; without amendment (Rept. No. 1556). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. VINSON:

H.R. 11131. A bill to authorize certain construction at military installations, and for other purposes; to the Committee on Armed Services.

By Mr. WALTER:

H.R. 11132. A bill to terminate the authority of supplemental air carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. DURNO:

H.R. 11133. A bill to amend the Tariff Act of 1930 to terminate the authority to suspend the marking requirements with respect to sawed lumber and timber, certain poles of wood, and bundles of shingles; to the Committee on Ways and Means.

By Mr. GRANT:

H.R. 11134 A bill to provide a right of ingress and egress across national forest lands to all persons owning property within the boundaries of such national forests, and for other purposes; to the Committee on Agriculture.

Mrs. HANSEN:

H.R. 11135. A bill to require the establishment of an appeals procedure in matters related to the sale of timber from national forests, and for other purposes; to the Committee on Agriculture.

H.R. 11136. A bill to amend section 22 of the act of August 24, 1935, as amended (49 Stat. 773, 7 U.S.C. 624) to require the Secretary of Agriculture to include lumber and wood products as an agricultural commodity under the act; to the Committee on Agriculture.

H.R. 11137. A bill to amend the Tariff Act of 1930 to require the marking of lumber and wood products to indicate to the ultimate purchaser in the United States the name of the country of origin; to the Committee on Ways and Means.

By Mr. KEOGH:

H.R. 11138. A bill to amend section 4142 (relating to the definition of radio and television components) of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. MOOREHEAD of Ohio:

H.R. 11139. A bill to provide for the medical and hospital care of the aged through a system of voluntary health insurance, and for other purposes; to the Committee on Ways and Means.

By Mr. NORBLAD:

H.R. 11140. A bill to amend the National Housing Act to provide that only lumber and other wood products which have been produced in the United States may be used in construction or rehabilitation covered by FHA-insured mortgages; to the Committee on Banking and Currency.

By Mr. PHILBIN:

H.R. 11141. A bill to amend title 10, United States Code, in order to improve the administration of justice and discipline in the Armed Forces, and for other purposes; to the Committee on Armed Services.

By Mr. ROBERTS of Alabama:

H.R. 11142. A bill to amend sections 1612 and 1613 of title 38, United States Code, to provide that where a veteran eligible for educational benefits on account of Korean conflict service has reentered military service, such service shall not be counted as part of the periods within which his education must be begun and completed; to the Committee on Veterans' Affairs.

By Mr. ROGERS of Colorado:

H.R. 11143. A bill to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes; to the Committee on the Judiciary.

By Mr. ST. GERMAIN:

H.R. 11144. A bill authorizing the modification of the project for flood protection on Blackstone, Mill, and Peters Rivers, in Woonsocket, R.I.; to the Committee on Public Works.

By Mr. BUCKLEY (by request):

H.R. 11145. A bill to repeal subsection (a) of section 8 of the Public Buildings Act of 1959, limiting the area in the District of Columbia within which sites for public buildings may be acquired; to the Committee on Public Works.

H.R. 11146. A bill to provide an office building for the Housing and Home Finance Agency; to the Committee on Public Works.

By Mr. GEORGE P. MILLER:

H.R. 11147. A bill relating to certain facilities and improvements of the United States and the rights of the United States in and to certain real property situated in Oakland, Calif.; to the Committee on Armed Services.

By Mr. ALGER:

H. Res. 588. Resolution amending the Rules of the House of Representatives relating to the appointment of professional and clerical staffs of the committees of the House; to the Committee on Rules.

By Mr. JOHNSON of Maryland:

H. Res. 591. It has been the commercial policy of the United States to recognize appellations of origin applicable to foreign and domestic products, etc.; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. WALLHAUSER: Memorial of the Legislature of the State of New Jersey memorializing Congress to appropriate the funds necessary to implement the Federal Flood Insurance Act of 1956; to the Committee on Appropriations.

By the SPEAKER: Memorial of the Legislature of the State of Massachusetts, memorializing the President and the Congress of the United States to enact legislation granting certain pensions to veterans of World War I; to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. JOELSON:

H.R. 11148. A bill for the relief of Giovanni Dobrich; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 11149. A bill for the relief of Franklin D. Wagner; to the Committee on the Judiciary.

By Mr. ROSTENKOWSKI:

H.R. 11150. A bill for the relief of John Korakis; to the Committee on the Judiciary.

SENATE

THURSDAY, APRIL 5, 1962

The Senate met at 11 o'clock a.m., and was called to order by the Honorable LEE METCALF, a Senator from the State of Montana.

Rev. Frederick Brown Harris, D.D., offered the following prayer:

Most merciful God, who knowest our necessity before we ask, and our ignorance, limitations, and fallibility in asking, have compassion, we beseech Thee,